



STATE OF CALIFORNIA

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

915 CAPITOL MALL, ROOM 311

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Jerree Glasser-Hedrick Sean L. Spear  
Executive Director

**MEMBERS**

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Chairman

State

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State

Controller

**FOR CDLAC USE ONLY**

Application No. \_\_\_\_\_

Analyst: \_\_\_\_\_

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

**APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED  
PRIVATE ACTIVITY BONDS FOR AN EXEMPT FACILITY PROJECT**

APPLICANT: \_\_\_\_\_

PROJECT SPONSOR (Borrower): \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_

We, the undersigned, hereby make Application to The California Debt Limit Allocation Committee ("CDLAC") for the purpose of providing an exempt facility as described herein.

We agree it is our responsibility to provide CDLAC with one original and one duplicate copy of a complete Application, accompanied by a check made payable to CDLAC in the amount of ~~\$600~~1200, and a completed Performance Deposit form. We understand that succinct answers providing the requested information are required. We understand that if additional space is required, each additional page will be clearly labeled. We agree that it is also our responsibility to provide all information that is deemed by CDLAC to be necessary to evaluate our Application. We understand that CDLAC may verify information provided and analyze materials submitted as well as conduct its own investigation to evaluate the Application. We recognize that we have a duty to inform CDLAC when any information in the Application or supplemental materials is no longer true and to supply CDLAC with accurate information.

We represent that we have read all Government Code sections relevant to the CDLAC Regulations Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds ("Regulations"). We acknowledge that CDLAC recommends that we seek advice from bond counsel.

We acknowledge that all materials and requirements are subject to change by enactment of federal or state legislation.

In carrying out the development and operation of the proposed project, we agree to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all CDLAC program requirements.

We acknowledge that our Application will be evaluated based on federal and state statutes and regulations pertaining to Qualified Private Activity Bonds for Exempt Facility Projects and the CDLAC Regulations, which

identify the minimum requirements, evaluation criteria, priorities and other standards which will be employed to evaluate Applications.

We acknowledge the information submitted to CDLAC in this Application or supplemental thereto may be subject to the Public Records Act or other disclosure. We understand that CDLAC may make such information public. CDLAC will maintain as confidential, certain financial information, but cannot guarantee confidentiality.

The Project Sponsor declares under penalty of perjury that the information contained in the Application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of its knowledge and belief. The Applicant declares that the information contained in PARTS I and II of the Application is true and correct to the best of its knowledge and belief, and as to information contained in the Application, exhibits, attachments, and further or supplemental documentation provided by the Project Sponsor, the Applicant is not aware of any information that would cause the Applicant to believe that the Application contains any untrue information or omits to state any material information. We understand that misrepresentation may result in the cancellation of an Allocation, and other actions which CDLAC is authorized to take.

The Project Sponsor certifies that the project can be completed within the development budget and the development timetable set forth in our Application. The Project Sponsor further certifies that the proposed project can be operated in the manner proposed within the operating budget set forth in the Application.

The Applicant certifies that it is in compliance with all applicable statutes, laws, rules, and regulations necessary for the transaction of its business.

We agree to hold CDLAC, its members, officers, agents, and employees harmless from any matters arising out of or related to the awarded Allocation.

We acknowledge that all Application materials are to be submitted ~~delivered to the address below~~, by 4:00 p.m. on the appropriate date, ~~at the following address~~:

The California Debt Limit Allocation Committee  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

\_\_\_\_\_  
Signature of Applicant's Senior Official

\_\_\_\_\_  
Signature of Project Sponsor

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Additional information may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac.htm> or by calling the Committee at (916) 653-3255.

The California Debt Limit Allocation Committee complies with the Americans with Disabilities Act (ADA). If you need additional information or assistance, please contact the Committee at 916/653-3255 or TDD 916/654-9922

# THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

## APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN EXEMPT FACILITY PROJECT

All references to federal statute are cited for information only. Bond Counsel must be consulted as the requirements are subject to change.

### PART I – FINANCING TEAM INFORMATION

#### 1. ISSUER (APPLICANT) OF BONDS

Name of Issuing Agency:

Name of Senior Official:

Title of Senior Official:

Mailing Address:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

Issuer's Federal Identification No.:

**ISSUER CONTACT** (staff person who can answer questions regarding this application)

Name of Staff Person:

Title of Staff Person:

Name of Agency (if different from #1 above):

Mailing Address:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

#### 2. BOND COUNSEL

Name of Firm:

Name of Attorney:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

#### 3. BOND UNDERWRITER

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

**4. PRIVATE PLACEMENT AGENT (IF APPLICABLE)**

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

**5. PRIVATE PLACEMENT BOND PURCHASER (IF APPLICABLE)**

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

**6. CREDIT ENHANCEMENT PROVIDER**

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

**7. FINANCIAL ADVISOR/CONSULTANT**

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:



## PART II – ALLOCATION/BOND ISSUE INFORMATION

1. Amount of allocation requested: \$

2. Proposed date of bond issuance:

3. Date of inducement:

Attach (**Attachment “A”**) a copy of the adopted resolution. (See Section 5033.5 of CDLAC Regulations.)

4. Date of TEFRA hearing:

Proof (**Attachment “B”**) of the TEFRA process must be submitted to the Committee : 1) No later than 30 calendar days following the application deadline if an Allocation Round Process is established; or 2) No less than 30 calendar days prior to the scheduled allocation meeting at which the Application will be considered if an Open Application Process is established. The proof of TEFRA, as described in Section 5033(6) is either: 1) a copy of the adopted TEFRA resolution with the approval of the bond issuance, **or**, if the resolution will not be available within the required timeframe, 2) a written certification by the Applicant as to the date, time, location, and outcome of the public hearing, the approval of the issuance of bonds by the applicable elected representative, and that such actions comply with the provisions of 26 U.S.C. Section 147(f), accompanied by a copy of the notice announcing the public hearing.

5. Indicate whether bonds will be sold in a public offering or in a private placement:

Indicate whether the bonds will be variable or fixed rate:

If bonds carry a variable rate:

a. Identify the index:

b. How frequently will the bonds be re-marketed and by whom?

c. Is there a feature to allow a conversion to a fixed rate at some time in the future? If so, under what conditions and when?

6. Indicate by a “YES” or “NO” whether the bond issuance will be used to convert taxable debt to tax-exempt debt:

If “YES”, provide the date, if applicable, on which the proposed Project will lose its ability to use tax-exempt bond financing:

7. Briefly describe credit enhancement structure or private placement transaction (include, at a minimum, the construction or interim financing, if applicable, the amount, closing deadlines, security/collateral provided, guaranties, anticipated closing date, etc.):

Attach (**Attachment "C"**), if more than one commitment, label Attachments in sequential order as "**C-1, C-2**", etc.) the credit enhancement commitment or commitment to purchase privately placed bonds. (See Sections 5061-5064 of the CDLAC Regulations.)

(If there will be no Credit Enhancement for the bonds, CDLAC staff may require that the Project Sponsor submit an engineering or economic feasibility study, or both. In cases where the Project Sponsor has completed such studies, the CDLAC staff may request that a review by an independent consultant, who has been approved by the CDLAC Executive Director, be completed. The Project Sponsor shall pay the fees of such independent consultant.)

8. Anticipated bond rating (see Section 5061 of the CDLAC Regulations):

	<u>Rating</u>	<u>Date Rating Anticipated</u>
Fitch		
Moody's		
Standard & Poor's		
Other		

9. Indicate the amount of taxable bonds and other means of financing, in addition to the cash equity required by the Credit Enhancer, that will be utilized in conjunction with the requested allocation of tax-exempt bonds (See Section 5433 of the CDLAC Regulations). \$

Attach (**Attachment "D"**) documentation demonstrating that the proceeds of the taxable bonds and other means of financing, in addition to the cash equity required by the Credit Enhancer, will be used towards project expenses that are directly related to the acquisition, construction/rehabilitation, equipment purchase/installment, or operation of the proposed Project.

## PART III – PROJECT SPONSOR INFORMATION

1. Please answer the following questions for both the Project Sponsor (“Borrower”) and the user of the facility, if different:

- A. Official business name, address, telephone number, fax number, e-mail address and contact person:

**BORROWER:**

**USER:**

- B. Any “Doing Business As” names:

- C. Address of Project Sponsor’s headquarters, if different from address in “A” above:

- D. Other operating locations in California:

- E. The legal structure of the Project Sponsor i.e. (corporation, partnership or sole proprietorship):

**Complete the appropriate section below:**

**Corporation**

- 1) Officers of the Corporation
- 2) Major Shareholders (10% or more)
- 3) Date and place of incorporation
- 4) For publicly held corporations, stock exchange on which the company is listed. If traded over the counter or on NASDAQ, please indicate the market makers.

**Partnership**

- 1) Names and addresses of general and limited partners, and share of ownership.
- 2) Date of partnership.

**Sole Proprietorship**

- 1) Date and place of establishment.

- F. Federal Tax Identification Number for Project Sponsor and user, including IRS Office where tax returns are filed:

- G. Description of present physical facilities, including size and use of facility:

- H. Other tax-exempt financings currently outstanding:

2. If the Project Sponsor or user is an owner, subsidiary or affiliated directly or indirectly with any other business or organization, indicate the relationship.

## PART IV – PROJECT INFORMATION

1. Project Name:

2. Project Street Address:

City:

County:

Zip Code:

**(The zip code must be included. If the project site does not yet have a street address, contact the local United States Post Office for an approximate zip code.)**

Federal Congressional District in which the proposed Project is located:

State Senate District in which the proposed Project is located:

State Assembly District in which the proposed Project is located:

Census Tract in which the proposed Project is located:

3. Description of Proposed Project:

Attach (**Attachment "E"**) a description of the proposed project. The description must include: **1)** the type of operation or processes that will be conducted at the proposed facility, **2)** the end product or consumer services to be provided, **3)** the number of acres to be acquired, **4)** the amount of square footage to be constructed/renovated, **5)** description of any new equipment or vehicles to be installed or purchased, **6)** the communities to be served by the proposed facility, and **7)** any other special feature of the proposed Project (i.e. new technology).

4. Costs of the Project. State the total costs associated with the acquisition of the site and construction of the proposed project, including any utilities and proposed machinery and equipment purchases. Separate the costs based on their financing sources: the left column should total the bond amount; the sum of both columns should equal the total project costs.

	To Be Paid From Bond Proceeds	To Be Paid From All Other Sources
Acquisition of Land	\$	\$
Acquisition of Existing Buildings		
Fees and Other Charges Related to Sale		
Rehabilitation of Existing Building(s)		
Site Preparation		
Construction of New Building(s)		
Utilities Connection		
Acquisition and Installation of Used Equipment		
Acquisition and Installation of New Equipment		
(a) Invoice		
(b) Installation		
(c) Other (please explain)		
Engineering/Architecture		
Legal, Permits, etc.		
Bond Issuance Expenses (including discount)		
Letter of Credit or Bond Insurance Fee		
Interest During Construction		
From       to		
Interest Income During Construction		
From       to		
Other (please explain)		
	<b>Total Bond Amount</b>	<b>Total Other Costs</b>
	\$	\$

## PART V – MINIMUM REQUIREMENTS

**Applicants are advised to read Sections 5420-5423 of the CDLAC Regulations regarding Exempt Facility Projects when answering the following questions.**

1. Attach (**Attachment “F”**) evidence that the use of tax-exempt bond financing will create more public benefits than any other means of financing available to the Project Sponsor. At a minimum, the documentation must compare tax-exempt bond financing with other means of financing available to the Project Sponsor, such as bank loans, lines of credit, taxable bonds and other instruments.
2. Attach (**Attachment “G”**) a copy of the California Environmental Quality Act (CEQA) final Notice of Decision or a certification from the appropriate planning agency attesting to the filing of the final Notice of Decision.

What is the date by which an appeal to the Final Notice of Decision may be filed?

If an appeal has been filed, attach (Attachment “G-1”) narrative providing the following information:

1. What is the nature of the appeal?
  2. Has appellant posted a bond?
  3. Has appellant sought injunctive relief?
  4. What was the outcome of the litigation at the trial court level?
3. Attach (**Attachment “H”**), if more than one attachment, label each attachment in sequential order as “**H-1, H-2**” etc.) evidence of all relevant approvals or permits relating to the project (i.e. solid waste facilities permit, air discharge permit, conditional use permit, zoning variances, etc.) from federal, state or local planning agencies other than ministerial approvals in one or more of the following forms (identify the form of evidence by responding “**YES**” to the appropriate item):
    - A. Copies of local land use approvals, which allow the discretion of local elected officials to be applied (General Plan amendments, rezoning, conditional use permits, etc.):
    - B. Documentation by a local agency that clearly demonstrates the agency’s intentions to acquire the Project Site, or a portion of the Project Site, through eminent domain proceedings:
    - C. A copy of the permit certification letter submitted to the California Pollution Control Financing Authority (CPCFA) (if used, the form should be labeled **Attachment “H”**).
  4. For Applicants other than the California Pollution Control Finance Authority, the Committee will perform a formal policy review prior to award of Allocation to new industries that apply for Exempt Facility bond authority. The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee’s review. The review process shall result in a written policy concerning the new area of business.

## PART VI – EVALUATION CRITERIA

Applicants are advised to read Section 5440 of the CDLAC Regulations regarding Exempt Facility Projects when answering the following questions.

*Section 5400 of the CDLAC Regulations defines a “First Tier Business” as a business that (a) is primarily engaged in the collection, recycling, transportation, and/or disposal of solid waste, (b) is a privately-held or employee-owned entity whose ownership interests are not available to members of the public, and (c) has fewer than 3,000 employees (together with affiliates), based on the average employees per pay period during the most recent twelve (12) months before submittal of an Application; or (2) a business which is not primarily engaged in the collection, recycling, transportation, and/or disposal of solid waste that is classified as a small business under regulations of the California Pollution Control Financing Authority (Title 4, California Code of Regulations, Sections 8001-et seq.).*

*Section 5400 of the CDLAC Regulations defines a “Regulatory Mandate” as a local, state or federal government mandate such as California Public Resources Code, Section 40000 et seq., a local public health department notice and order, a Regional Water Quality Control Board issued cease and desist order, or similar directive.*

1. Answer “YES” or “NO” to the following:

- A. The Project Sponsor is a “First Tier Business Under Regulatory Mandate” as defined above pursuant to Section 5400 of the CDLAC Regulations:
- B. The Project Sponsor is a “First Tier Business Not Under Regulatory Mandate” as defined above pursuant to Section 5400 of the CDLAC Regulations:
- C. The Project Sponsor is not a First Tier Business, but is under a Regulatory Mandate (5400 of the CDLAC Regulations):

If “YES” to any of the above, attach (**Attachment “I”**) a certification from the Project Sponsor’s accountant or legal counsel that (1) cites the regulatory mandate and (2) certifies and provides documentation that the Project Sponsor meets the characteristics enumerated in the above definition of a “First Tier Business” as applicable to the proposed Project.

- D. The proposed Project is other than a solid waste disposal facility as described in A through C, above, and is eligible for tax-exempt bond financing pursuant to Section 5400 of the CDLAC Regulations:

If “YES”, identify the type of exempt facility from the list below that describes the proposed Project (Section 5400 of the CDLAC Regulations):

- i. Bonds will be issued by a government agency to acquire any property from an investor-owned utility;
- ii. A Sewage facility;
- iii. A facility for the furnishing of water;
- iv. A facility for the local furnishing of electric energy or gas;
- v. A qualified hazardous waste facility;
- vi. A mass commuting facility;
- vii. A local district heating or cooling facility;
- viii. Environmental enhancements of hydroelectric generating facility;
- ix. A high-speed inter-city rail facility;
- x. An Enterprise Zone Facility Bond project; or
- xi. An Equipment Only Purchase Program for solid waste disposal facilities administered by the California Pollution Control Financing Authority.

2. Public Benefits of the Proposed Project (Section 5430 of CDLAC Regulations)

Answer "YES" or "NO" to each of the following to indicate whether the proposed Project will provide such public benefit.

- A. Improved air quality:
- B. Improved water quality:
- C. Improved energy efficiency:
- D. Recycling of commodities (glass, aluminum and other marketable materials) and greenwaste (composting and other organic wastes):
- E. Safe disposal of solid waste that is in compliance with all applicable state and federal environmental regulations regarding solid waste disposal:
- F. Consumer cost savings or efficiencies:

Attach (**ATTACHMENT "J"**) a narrative describing the above public benefits of the proposed Project. At a minimum, the narrative should include one or more of following, whichever are applicable:

- A. The measures taken by the Project Sponsor to mitigate the impact on air quality as a result of the proposed Project or to improve the air quality in the community in which the proposed Project is located.
- B. The extent to which energy savings will result from (1) the utilization of designs, materials, or techniques that will reduce energy usage during the construction or rehabilitation of the proposed Project according to recognized efficiency standards, such as those promulgated by the California Energy Commission, or (2) the installation of new equipment that will reduce energy usage compared to the equipment formerly used by the Project Sponsor.
- C. The measures taken by the Project Sponsor to (1) mitigate the impact on water quality as the result of the proposed Project's discharge of waste into groundwater and surface water sources, (2) prevent pollution of environmentally-sensitive wetland and coastal land areas that are in close proximity to the proposed Project, or (3) improve the water quality in the community in which the proposed Project is located.
- D. The capacity of the proposed Project to recycle commodities (glass, aluminum, plastic, and other marketable materials) or greenwaste and reuse of such commodities or greenwaste in the manufacture of environmentally sensitive products.
- E. The past performance of the Project Sponsor or entity which will operate the proposed Project regarding compliance with all applicable regulations governing solid waste disposal.
- F. A description of the projected capacity of a materials recovery component of a proposed Project to assist in waste stream diversion.
- G. The extent to which the proposed Project will provide cost benefits to the consumers residing in the communities served by the Project, such as the prevention of fee increases for solid waste disposal or water or energy services.

3. Leverage (Section 5433 of CDLAC Regulations)

Applications will be evaluated based on information provided in **Attachment "D"** required by Item #9 in PART II of this Application.

4. Local Government Support (Section 5434 of CDLAC Regulations)

Attach (**Attachment "K"**) evidence of local government support for the proposed Project. Such evidence must be documentation from a regulatory agency or other local government entity that clearly demonstrates government support and the proposed Project's ability to support and contribute to local waste management policy, environmental policy, and planning. Such documentation may include the identification of the proposed Project in the applicable elements of an approved County Integrated Waste Management Plan or Regional Agency Waste Management Plan.



## PART VII – LEGAL STATUS OF PROJECT SPONSOR

*If a separate sheet is used to respond to the following questions, the sheet shall be labeled **Attachment L**.*

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome. For a publicly-traded company, the relevant sections of the company's 10K, 8K, and 10Q most recently filed with the Securities and Exchange Commission may be attached in response to question #1. With respect to a response for question #2, previous 10K, 8K, and 10Q filings of the company may be attached if applicable.

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the project sponsor that is involved in the management, operation, or development of the project.

2. Disclose any civil, criminal, or regulatory action in which the project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

## PART VIII – SELLER OF PROPERTY INFORMATION

This PART is to be completed if bond proceeds will finance the acquisition of property.

1. Name of Property Seller:

Business Street Address:

City:

State:

Zip code:

Telephone number: (     )

2. Principals, business addresses and telephone numbers of each partner comprising the Seller:

3. When is sale of property expected to close escrow?

### **EXFP APPLICATION DOCUMENTS CHECKLIST**

This checklist is provided to assist you in making sure that a completed application package is filed with the Committee. If an attachment does not apply, please write N/A in the space provided.

Your application package must contain the following:

Check Box	Document Description	Attachment Name
	\$6001200 initial filing fee made payable to CDLAC (See Section 5033( b)(2) of CDLAC Regulations)	N/A
	<u>Signed</u> Deposit Certification Form (See Section 5033( b)(1) of CDLAC Regulations)	N/A
	Two (2) Completed and <u>signed</u> application forms	N/A
	Adopted Inducement Resolution (See Section 5033(b)(5) of CDLAC Regulations.)	<b>A</b>
	Evidence of TEFRA hearing (either adopted resolution or certification) (See Section 5033(b)(6). of CDLAC Regulations.)	<b>B</b>
	Evidence of Credit Enhancement or Bond Purchase Commitment (See Section 5061 of CDLAC Regulations.)	<b>C</b>
	Evidence of Leveraging (Section 5433 of CDLAC Regulations)	<b>D</b>
	Description of proposed Project CDLAC form	<b>E</b>
	Comparison of benefits created by tax-exempt vs. taxable financing (Section 5420 of CDLAC Regulations)	<b>F</b>
	Evidence of CEQA documentation (Section 5421 of CDLAC Regulations)	<b>G</b>
	Narrative of CEQA appeal (Section 5421 of CDLAC Regulations)	<b>G-1</b>
	Evidence of permits and approvals documentation (Section 5422 of CDLAC Regulations)	<b>H</b>
	Evidence of First Tier Business/Regulatory Mandate (Section 5440 of CDLAC Regulations)	<b>I</b>
	Evidence of public benefits (Section 5432 of CDLAC Regulations)	<b>J</b>
	Evidence of local government support (Section 5434 of CDLAC Regulations)	<b>K</b>
	Legal Status of Applicant and Project Sponsor	<b>L</b>
	Two (2) duplicate copies of the Application with Attachments [NOTE: Any subsequent mailings of additional application materials should be in <u>duplicate</u> .]	<b>DUPLICATE</b>

**PERFORMANCE DEPOSIT CERTIFICATION FORM**  
**FOR AN APPLICATION FOR AN ALLOCATION OF QUALIFIED PRIVATE ACTIVITY BONDS**

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)**

915 Capitol Mall, Room 311

Sacramento, CA 95814

(916) 653-3255

**CERTIFICATION OF THE (Applicant)**  
**REGARDING AN APPLICATION FOR QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION**

In connection with the following Qualified Private Activity Bond Application:

**APPLICANT:** \_\_\_\_\_

AMOUNT OF ALLOCATION REQUESTED: \$ \_\_\_\_\_

PROJECT NAME/PROJECT TYPE: \_\_\_\_\_

the undersigned officer of the (Applicant) hereby certifies as follows:

1. I, \_\_\_\_\_ (Name), am the \_\_\_\_\_ (Title) of the (Applicant), and am duly authorized to make the deposit required below.
2. The (Applicant) has collected and has placed on deposit in an account in a financial institution \$ \_\_\_\_\_, dollars (write out dollar amount in words), which equals one half of one percent of the amount of the Qualified Private Activity Bond Allocation being requested, not to exceed \$100,000.
3. The deposit will be held until receipt of a written notification from the California Debt Limit Allocation Committee that the deposit is authorized to be released or forfeited, in whole or in part, pursuant to Article 5 of Chapter 1 of the Committee's Regulations.
4. To the extent that any portion of the deposit is forfeited, the Applicant agrees to send the required amount in a check made payable to "The California Debt Limit Allocation Committee." Such check shall be mailed to the Committee at the address noted above immediately upon receipt of the written notification from the Committee.
5. The undersigned has read the Regulations of the California Debt Limit Allocation Committee and understands that if a Qualified Private Activity Bond Allocation is not used for the purpose for which it was granted, the performance deposit must be forfeited to the Committee.

\_\_\_\_\_  
Signature of Senior Official

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

1. Each Applicant for a Qualified Private Activity Bond Allocation must submit evidence to the Committee that it has on deposit in an account in a financial institution an amount **equal to one half of one percent** of the amount of Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000**. Applicants are advised to read Article 5 of Chapter 1 of the Committee's Regulations.
2. The Performance Deposit Certification Form (see other side) must be filed with the Committee in conjunction with the filing of an Application and by the Application Deadline.
3. The Committee will authorize release or require forfeiture of the deposit as follows:
  - a. If the Committee provides no Allocation, or grants an amount lower than requested by the Applicant, the Committee will authorize release of the deposit or release of a pro rata amount of the deposit so that only one-half of one percent (0.5%) of the Allocation granted is on deposit;
  - b. If the Applicant uses only a portion of the Allocation granted to issue bonds (or convert the Allocation to mortgage credit certificate authority), the Committee will authorize the release of the deposit in accordance with the conditions imposed at the time of Allocation. The Committee will approve the Allocation with the deposit fully refundable if 80% or more of the Allocation is used to issue bonds prior to the expiration date. If less than 80% of the Allocation is used to issue bonds prior to the expiration date, the refundable performance deposit will be pro-rated. For Mortgage Credit Certificate Programs, if 80% or more of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the performance deposit will be refunded in full. If less than 80% of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the refundable performance deposit will be pro-rated.
  - c. If the Applicant does not use any of the Allocation to issue bonds prior to the expiration date (or convert the Allocation to mortgage credit certificate authority and issue at least one mortgage credit certificate prior to the expiration date), the entire deposit will be forfeited; and
  - d. If the Applicant or the Project Sponsor withdraws the Application in writing prior to the Committee's consideration of the Application, the performance deposit shall be automatically released and no written authorization from the Committee shall be necessary.
4. If the Applicant forfeits all or a part of a deposit pursuant to Article 5 of Chapter 1 of the Committee's Regulations, the Applicant shall send the required amount to the Committee in a check made payable to "The California Debt Limit Allocation Committee". Amounts received will be deposited in the Committee's Fund.
5. Project Sponsors bear the risk of forfeiting all or part of their performance deposit if the Allocation is not used in accordance with the conditions and timeframes set forth in the Committee Resolution.

## **ATTACHMENT E**

### **DESCRIPTION OF THE PROPOSED PROJECT**

The description must include:

- 1) The type of operation or process that will be conducted at the proposed facility.
- 2) The end product or consumer services to be provided.
- 3) The number of acres to be acquired.
- 4) The amount of square footage to be constructed/renovated.
- 5) Description of any new equipment or vehicles to be installed or purchased.
- 6) The communities to be served by the proposed facility.
- 7) Any other special feature of the proposed project (i.e. new technology)



STATE OF CALIFORNIA

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

915 CAPITOL MALL, ROOM 311

SACRAMENTO, CA 95814

TELEPHONE: (916) 653-3255

FAX: (916) 653-6827

[www.treasurer.ca.gov/cdlac](http://www.treasurer.ca.gov/cdlac)

Jerree Glasser-Hedrick Sean L. Spear  
Executive Director

**MEMBERS**

John Chiang Bill Lookyer,  
Chairman  
State Treasurer

Edmund G. Brown Jr.  
Governor

Betty Yee John Chiang  
State Controller

**FOR CDLAC USE ONLY**

Application No. \_\_\_\_\_

Analyst \_\_\_\_\_

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

**APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED  
PRIVATE ACTIVITY BONDS FOR A STUDENT LOAN PROGRAM**

APPLICANT: \_\_\_\_\_

The Applicant hereby makes Application to The California Debt Limit Allocation Committee ("CDLAC") for the purpose of providing a student loan program as described herein.

The Applicant agrees that it is the Applicant's responsibility to provide CDLAC with one original and one duplicate copy of a complete Application, accompanied by a check made payable to the Committee in the amount of ~~\$600~~1200 and a completed Performance Deposit Certification form. The Applicant understands that succinct answers providing the requested information are required. The Applicant understands that if additional space is required, each additional page will be clearly labeled. The Applicant agrees that it is also the Applicant's responsibility to provide all information that is deemed by CDLAC to be necessary to evaluate the Application. The Applicant understands that CDLAC may verify the information provided and analyze materials submitted as well as conduct its own investigation to evaluate the Application. The Applicant recognizes that it has a duty to inform CDLAC when any information in the Application or supplemental materials is no longer true and to supply CDLAC with accurate information.

The Applicant represents that it has read all Government Code sections relevant to the CDLAC Regulations Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds ("Regulations"). The Applicant acknowledges that CDLAC recommends that the Applicant seek advice from bond counsel.

The Applicant acknowledges that all materials and requirements are subject to change by enactment of federal or state legislation.

In carrying out the development and operation of the proposed program, the Applicant agrees to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all CDLAC program requirements.

The Applicant acknowledges that the Application will be evaluated based on federal and state statutes and regulations pertaining to Qualified Private Activity Bonds for Student Loan Programs and the CDLAC Regulations,

which identify the minimum requirements, evaluation criteria, priorities, and other standards which will be employed to evaluate Applications.

The Applicant acknowledges that the information submitted to CDLAC in this Application or supplemental thereto may be subject to the Public Records Act or other disclosure. The Applicant understands that CDLAC may make such information public. CDLAC will maintain as confidential, certain financial information, but cannot guarantee confidentiality.

The Applicant declares under penalty of perjury that the information contained in the Application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of its knowledge and belief. The Applicant understands that misrepresentation may result in the cancellation of an Allocation, and other actions which CDLAC is authorized to take.

The Applicant agrees to hold CDLAC, its members, officers, agents, and employees harmless from any matters arising out of or related to the awarded Allocation.

The Applicant certifies that it is in compliance with all applicable statutes, laws, rules, and regulations necessary for the transaction of its business.

The Applicant acknowledges that all Application materials are to be delivered to the address below, **by 4:00 p.m.** on the appropriate date at the following address:

The California Debt Limit Allocation Committee  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

\_\_\_\_\_  
\_\_\_\_\_  
Signature of Applicant's Senior Official

\_\_\_\_\_  
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
\_\_\_\_\_  
Title

Date \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Additional information may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac> or by calling the Committee at (916) 653-3255.

The California Debt Limit Allocation Committee complies with the Americans with Disabilities Act (ADA). If you need additional information or assistance, please contact the Committee at 916/653-3255 or TDD 916/654-9922



# THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

## APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A STUDENT LOAN PROGRAM

All references to federal statute are cited for information only. Bond Counsel must be consulted as the requirements are subject to change.

### PART I – FINANCING TEAM INFORMATION

#### 1. ISSUER (APPLICANT) OF BONDS

Name of Issuing Agency:  
Name of Senior Official:  
Title of Senior Official:  
Mailing Address:  
City:  
State:  
Zip Code:

Telephone: (     )  
Fax: (     )  
E-Mail:

Issuer's Federal Identification No.:

#### ISSUER CONTACT (staff person who can answer questions regarding this application)

Name of Staff Person:  
Title of Staff Person:  
Name of Agency (if different from #1 above):  
Mailing Address:  
City:  
State:  
Zip Code:

Telephone: (     )  
Fax: (     )  
E-Mail:

#### 2. BOND COUNSEL

Name of Firm:  
Name of Attorney:  
Mailing Address of Firm:  
City:  
State:  
Zip Code:

Telephone: (     )  
Fax: (     )  
E-Mail:

#### 3. BOND UNDERWRITER

Name of Firm:  
Name of Contact:  
Mailing Address of Firm:  
City:  
State:  
Zip Code:

Telephone: (     )  
Fax: (     )  
E-Mail:

**4. PRIVATE PLACEMENT AGENT (IF APPLICABLE)**

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

**5. PRIVATE PLACEMENT BOND PURCHASER (IF APPLICABLE)**

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

**6. CREDIT ENHANCEMENT PROVIDER**

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

**7. FINANCIAL ADVISOR/CONSULTANT**

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: (     )

Fax: (     )

E-Mail:

## PART II – ALLOCATION/BOND ISSUE INFORMATION

1. Amount of allocation requested: \$

2. Proposed date of bond issuance:

3. Date of inducement:

Attach (**Attachment “A”**) a copy of the adopted resolution. (See Section 5033(b)(5) of CDLAC Regulations.)

4. Date of TEFRA approval:

Submit (**ATTACHMENT “B”**) proof of TEFRA (public approval process required by 26 U.S.C. Section 147(f)). (See Section 5033(b)(6) of the CDLAC Regulations.)

5. Indicate whether bonds will be sold in a public offering or in a private placement:

Indicate whether the bonds will be variable or fixed rate:

If bonds carry a variable rate:

a. Identify the index:

b. How frequently will the bonds be re-marketed and by whom?

c. Is there a feature to allow a conversion to a fixed rate at some time in the future? If so, under what conditions and when?

6. Indicate by a “YES” or “NO” whether the bond issuance will be used to convert taxable debt to tax-exempt debt:

If “YES”, provide the date, if applicable, on which the proposed Project will lose its ability to use tax-exempt bond financing:

7. Briefly describe credit enhancement structure or private placement transaction (include, at a minimum, any interim financing, if applicable, the amount, closing deadlines, security/collateral provided, guaranties, anticipated closing date, etc.):

Attach (**Attachment “C”**, if more than one commitment, label Attachments in sequential order as “**C-1, C-2**”, etc.) the credit enhancement commitment or commitment to purchase privately placed bonds. (See Article 6 of Chapter 1 of the CDLAC Regulations.)

8. Anticipated bond rating (see Section 5061, 5063 and 5064 of the CDLAC Regulations):

	<u>Rating</u>	<u>Date Rating Anticipated</u>
Fitch		
Moody's		
Standard & Poor's		
Other		

9. Indicate the amount of taxable bonds and other taxable securities that will be issued in conjunction with the requested allocation of tax-exempt bonds (See Section 5470(b)(3) of the CDLAC Regulations relating to Student Loan Secondary Market Loan Purchase Programs):

Attach (**Attachment “D”**) documentation demonstrating that the proceeds of the taxable bonds or other taxable securities will be used towards program expenses that are directly related to the acquisition and servicing of student loans purchased in the secondary market for the Issuer's portfolio.

10. Does the applicant expect to make an election to cease its status as a qualified scholarship funding corporation pursuant to Section 150(d)(3) of the Internal Revenue Code of 1986 within six months from the due date of this application, and if so, explain how California borrowers would continue to receive the benefits of any allocation awarded pursuant to this application?

## PART III - MINIMUM REQUIREMENTS

**Applicants are advised to read Section 5461 of the CDLAC Regulations regarding Student Loan Programs when answering the following questions.**

1. Evidence of California Nonprofit status & CEFA Requirement  
(Section 5461(a) and Section 5461(b) of CDLAC Regulations)

Attach (**Attachment "E"**) evidence documenting that the Applicant is authorized to directly or indirectly make or finance student loans under the Higher Education Act of 1965, or is a state agency. Evidence may include a letter from the Applicant's legal counsel certifying the legal status of the Applicant.

Before applying to the Committee for allocation of a portion of the State Ceiling pursuant to Government Code Section 8869.82 and 8869.85, an entity that is seeking to issue Qualified Scholarship Funding Bonds must first obtain CEFA board approval, pursuant to Section 9073(a), unless such entity became a qualified scholarship funding corporation as defined in subsection (d) of Section 150 of Title 26 of the United States Code prior to January 1, 2006. The Authority may in its discretion determine not to grant approval to any entity regardless of whether the entity meets the threshold criteria as an Eligible Candidate as defined in Section 9072(b). The Authority will consult and coordinate with the Committee prior to making a final determination.

2. Program Description (Section 5461(f) of CDLAC Regulations)

If the proposed Program is a direct lending program, attach (**Attachment "F"**) a narrative of your proposed program in which you describe any and/or all of the following: marketing activities and status as a lender, anticipated total dollar amount and number of student loans made to 2 year, 4 year and other schools, the household incomes of the student population expected to be served, the eligibility requirements for a loan, the benefits to student borrowers, the mechanism(s) or system(s) for the direct delivery of loans to eligible students and any other features unique to the Program.

If the proposed Program is a secondary market purchase program, attach (**Attachment "F"**) a narrative describing the proposed program that, at a minimum, includes: **a)** the household incomes of the student population expected to be served, **b)** the public benefits of the Program, **c)** the mechanism(s) or system(s) for purchasing student loans in the second market, and **d)** any other features unique to the Program.

3. Proposed Use of Bond Proceeds

If the proposed Program is a direct lending program, provide (**Attachment "G"**) the following information relating to the expected use of proceeds from the proposed bond issue:

Type of School (4-year, 2-year, Trade School)	Estimated Number of Loans to be Originated	Estimated Dollar Amount of Loans to be Originated
--	---	--

If the proposed Program is a secondary market purchase program, provide (**Attachment "G"**) the following information relating to the expected use of proceeds from the proposed bond issue:

Name & Location of Lender Originating Loans	Estimated Number of Loans to be Purchased	Dollar Amount of Loans to be Purchased	Weighted Average Maturity	Weighted Average Coupon	% of 90-Day Delinquent Loans
---	--	--	---------------------------------	-------------------------------	------------------------------------

4. Information for Direct Lender Programs (Section 5461(d) of CDLAC Regulations)

Provide (Table I) evidence documenting the following:

**Portfolio breakdown information.** The total dollar amount and corresponding percentage of student loans originated by the Applicant which assist financially needy borrowers in California. The data relied upon may be direct or derived from sources deemed by the Executive Director to be accurate.

**Table I**

In the following table, please provide the requested information relating to loans. Information will be used to determine the total dollar amount and corresponding percentage of student loans originated by the Program Sponsor which assist financially needy borrowers in California:

<b>CUMULATIVE PORTFOLIO OF PREVIOUS ACADEMIC YEAR:</b> <b>Total dollar amount of loan originations and corresponding percentages</b> <b>(As of _____)</b>		
<b>APPLICANT:</b>		
<b><u>STAFFORD</u></b>	<b>Total dollar amount of loan originations by type of loan</b>	<b>Percentage of total dollar amount of loan originations by type of loan</b>
Subsidized	\$ _____	_____ %
Combination Subsidized & Unsubsidized	\$ _____	_____ %
Subsidized & Combination Loans (C)	\$ _____	_____ %
Unsubsidized	\$ _____	_____ %
<b><u>TOTALS for STAFFORD</u></b>	\$ _____	_____ %
<b><u>PLUS</u></b>	<b>Total dollar amount of loan originations by type of loan</b>	<b>Percentage of total dollar amount of loan originations by type of loan</b>
Subsidized & Combination Borrowers (D)	\$ _____	_____ %
Unsubsidized & Other	\$ _____	_____ %
<b><u>TOTALS for PLUS</u></b>	\$ _____	_____ %
<b><u>TOTALS</u></b>	<b>Total dollar amount of loan originations by type of loan</b>	<b>Percentage of total dollar amount of loan originations by type of loan</b>
All Loans	\$ _____	100%
Total Subsidized & Combination Loans (C+D)	\$ _____	_____ %

Provide evidence documenting the following:

- A. The number of student loans originated which assist low-income borrowers (below 80% of statewide median income) based on an evaluation of the percentage of subsidized Stafford loans currently held in portfolio versus unsubsidized Stafford loans.
- B. The use of recycled funds for additional programs that may benefit students other than loan purchase programs, such as grants, scholarships, student outreach, and borrower benefit programs offered by the Applicant. Please describe all such programs.
- C. The extent to which the requested amount of private activity bond cap will be leveraged through the use of taxable bonds and other taxable securities, as indicated in Part II/Question #9 of this Application.
- D. The extent to which the Applicant has timely and effectively used previous and existing allocations from the Committee for secondary market loan purchase programs, as supported by the information provided under Part III/Question #3 of this Application.

## **PART IV – LEGAL STATUS OF PROJECT SPONSOR**

**If a separate sheet is used to respond to the following questions, the sheet shall be labeled Attachment H.**

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome. For a publicly-traded company, the relevant sections of the company's 10K, 8K, and 10Q most recently filed with the Securities and Exchange Commission may be attached in response to question #1. With respect to a response for question #2, previous 10K, 8K, and 10Q filings of the company may be attached if applicable.

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the project sponsor that is involved in the management, operation, or development of the project.

2. Disclose any civil, criminal, or regulatory action in which the project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.



## PART V – EVALUATION CRITERIA

**Applicants are advised to read Section 5470 of the CDLAC Regulations regarding Student Loan Programs when answering the following questions.**

1. Past Program Performance of Program Sponsor's Student Loan Program(s)  
(Section 5470(a)(5) of CDLAC Regulations)

The extent to which the Applicant timely disburses student loans as evidenced by its use of previous and existing allocations from the Committee for direct lender student loan programs. The Committee will evaluate the impact of unused bond proceeds on the Applicant's present demand for Allocation.

Provide (**Attachment I**) evidence documenting the Past Program Performance of Program Sponsor's Student Loan Program (s).

2. Please provide the following information relating to last year's average interest rates:

**Table II (Section 5470(a)(3) of CDLAC Regulations)**

<b>Interest Rate Evaluation (actual performance information from last year's program)</b>				
<b>Time Period is the current academic year (July 1- June 30) to-date</b>				
<b>Applicant Name:</b>				
<b>Loan Type</b>	<b>Subsidized Stafford</b>	<b>UnSubsidized Stafford</b>	<b>PLUS Parent</b>	<b>PLUS Graduate</b>
(A) Percentage of total loans made on behalf of California students for time period				
(B) Average <i>Statutory</i> Interest Rate				
(C) Total Discount				
(D) Discounted Interest Rate - <i>Actual Performance</i>				
(E) <i>Proposed</i> Discounted Interest Rate (from last year's information)				
(F) Multiplier based on size of program (number derived by 10% intervals: i.e- 1 for 10%; 2 for 20%, etc.) – use decimals to the tenth place				
(G) Weighted Average <i>Statutory</i> Interest Rate <sup>1</sup> (Multiply B by F)				
(H) Weighted Average Interest Rate Discount – <i>Actual Performance</i> (Multiply C by F)				
(I) Weighted Average Discounted Interest Rate – <i>Actual Performance</i> (Subtract H from G)				
(J) Weighted <i>Proposed</i> Discounted Interest Rate (Multiply E by F)				
(K) Weighted Discounted Interest rate average (across programs) – <i>Actual Performance</i> (Add the numbers from row I add divide by 10)				
(L) Weighted <i>Proposed</i> Interest rate average (across programs) (Add the numbers from row J add divide by 10)				

Percentage of loans for which the Applicant/Guarantor paid for the guarantee fee- <i>Actual Performance</i>	
Percentage of loans for which the Applicant/Guarantor paid for the origination fee- <i>Actual Performance</i>	

<sup>1</sup> This number is the weighted average of the market interest rate for each student loan program. The extent to which the market interest rate will be weighted, will depend on the relative size of the particular student loan program (i.e- Stafford Subsidized, Stafford Unsubsidized, PLUS Parent and PLUS Graduate).

Percentage of loans for which the Applicant paid for other discounts<sup>2</sup>  
(please briefly explain types of discounts)

3. Please provide the following information relating to your proposed future savings on loans. This chart will be used to establish your baseline for the following academic year:

**Table III** (Section 5470(a)(2) of CDLAC Regulations)

Loan Evaluation				
<b>Applicant:</b>				
Loan Type	Subsidized Stafford	UnSubsidized Stafford	PLUS Parent	PLUS Graduate
<b>Repayment Term</b>	10 years	10 years	10 years	10 years
<b>Amount Borrowed</b>	\$10,000	\$10,000	\$10,000	\$10,000
<b>Origination Fee</b>	\$	\$	\$	\$
<b>Guarantee Fee</b>	\$	\$	\$	\$
<b>In-School Capitalized Interest</b>	n/a	\$	n/a	n/a
<b>Total Principal Balance</b>	\$	\$	\$	\$
<b>Total Interest Paid Over Life of Loan</b>	\$	\$	\$	\$
<b>Total Savings Over Life of the Loan</b>	\$	\$	\$	\$
<b>Proposed Discount on Interest Rate</b>	%	%	%	%

<sup>2</sup> Only include those students who received the benefit of all "other" discounts

4. Please provide the following information related to your actual savings on loans for the time period determined by the last STUDENT MARKETMEASURE Standard Report 10D:

**Table IV (Section 5470(a)(4) of CDLAC Regulations)**

<b>Loan Savings Evaluation</b> <b>(actual performance information from last year's program)</b>				
Time Period is current academic year (July 1-June 30) to-date				
Applicant:				
Loan Type	Subsidized Stafford	UnSubsidized Stafford	PLUS Parent	PLUS Graduate
(A) Percentage of total loans made on behalf of California students for time period	%	%	%	%
(B) Multiplier based on size of program (number derived by 10% intervals: i.e- 1 for 10%; 2 for 20%, etc.) - use decimals to the tenth place				
(C) Average Discounted Interest Rate – <i>Actual Performance</i>	%	%	%	%
(D) <i>Proposed</i> Discounted Interest Rate from Last Year	%	%	%	%
(E) Difference between <i>actual</i> average interest rate and <i>proposed</i> discount rate from last year (Divide D by C)				
(F) <i>Proposed</i> total savings over life of the loan (using information from last year's application)				
(G) Weighted gross average of <i>proposed</i> savings over the life of the loan (assuming that all loan volume is at maximum discount) (Multiply B by F)				
(H) Weighted gross average of savings with modifier for <i>actual</i> average interest rate (Multiply G by E)				
(I) Weighted average of <i>actual</i> savings over the life of the loan-across programs: (Add the numbers from row H and divide by 10)				

### **STUDENT LOAN APPLICATION DOCUMENTS CHECKLIST**

This checklist is provided to ensure that a completed application package is filed with the Committee. If an attachment does not apply, please write N/A in the space provided.

Your application package must contain the following:

Check Box	Document Description	Attachment Name
<input type="checkbox"/>	<del>\$600</del> 1200 initial filing fee (See Section 5033(b)(2) of CDLAC Regulations)	N/A
<input type="checkbox"/>	<u>Signed</u> Deposit Certification Form (See Section 5033(b)(1) of CDLAC Regulations)	N/A
<input type="checkbox"/>	Completed and <u>signed</u> application form	N/A
<input type="checkbox"/>	Adopted Inducement Resolution <u>(Attachment A)</u> (See Section 5033(b)(5) of CDLAC Regulations.)	A
<input type="checkbox"/>	Evidence of TEFRA hearing (either adopted resolution or certification) <u>(Attachment B)</u> (See Section 5033(b)(6) of CDLAC Regulations.)	B
<input type="checkbox"/>	Evidence of Credit Enhancement or Bond Purchase Commitment <u>(Attachment C)</u> (See Article 6 of Chapter 1 of CDLAC Regulations.)	C
<input type="checkbox"/>	Evidence of Leveraging <u>(Attachment D)</u> (See Section 5470(b)(3) of CDLAC Regulations)	D
<input type="checkbox"/>	Evidence of California Nonprofit Status & CEFA Requirement	E
<input type="checkbox"/>	Program Description	F
<input type="checkbox"/>	Proposed Use of Bond Proceeds	G
<input type="checkbox"/>	Legal Status of Applicant	H
<input type="checkbox"/>	Past Program Performance	I
<input type="checkbox"/>	Self-Scoring Sheet	J
<input type="checkbox"/>	Duplicate copy of CDLAC Application with Attachments [NOTE: Any subsequent mailings of additional application materials should be in duplicate.]	<b>DUPLICATE</b>

**PERFORMANCE DEPOSIT CERTIFICATION FORM**  
**FOR AN APPLICATION FOR AN ALLOCATION OF QUALIFIED PRIVATE ACTIVITY BONDS**

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)**

915 Capitol Mall, Room 311

Sacramento, CA 95814

(916) 653-3255

**CERTIFICATION OF THE (Applicant)**  
**REGARDING AN APPLICATION FOR QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION**

In connection with the following Qualified Private Activity Bond Application:

**APPLICANT:** \_\_\_\_\_

**AMOUNT OF ALLOCATION REQUESTED: \$** \_\_\_\_\_

**PROJECT NAME/PROJECT TYPE:** \_\_\_\_\_

the undersigned officer of the (Applicant) hereby certifies as follows:

1. I, \_\_\_\_\_ (Name), am the \_\_\_\_\_ (Title) of the (Applicant), and am duly authorized to make the deposit required below.
2. The (Applicant) has collected and has placed on deposit in an account in a financial institution \$ \_\_\_\_\_ dollars (write out dollar amount in words), which **equals one half of one percent** of the amount of the Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000.**
3. The deposit will be held until receipt of a written notification from the California Debt Limit Allocation Committee that the deposit is authorized to be released or forfeited, in whole or in part, pursuant to Article 5 of Chapter 1 of the Committee's Regulations.
4. To the extent that any portion of the deposit is forfeited, the Applicant agrees to send the required amount in a check made payable to "The California Debt Limit Allocation Committee." Such check shall be mailed to the Committee at the address noted above immediately upon receipt of the written notification from the Committee.
5. The undersigned has read the Regulations of the California Debt Limit Allocation Committee and understands that if a Qualified Private Activity Bond Allocation is not used for the purpose for which it was granted, the performance deposit must be forfeited to the Committee.

\_\_\_\_\_  
Signature of Senior Official

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

1. Each Applicant for a Qualified Private Activity Bond Allocation must submit evidence to the Committee that it has on deposit in an account in a financial institution an amount **equal to one half of one percent** of the amount of Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000**. Applicants are advised to read Article 5 of Chapter 1 of the Committee's Regulations.
2. The Performance Deposit Certification Form (see other side) must be filed with the Committee in conjunction with the filing of an Application and by the Application Deadline.
3. The Committee will authorize release or require forfeiture of the deposit as follows:
  - a. If the Committee provides no Allocation, or grants an amount lower than requested by the Applicant, the Committee will authorize release of the deposit or release of a pro rata amount of the deposit so that only one-half of one percent (0.5%) of the Allocation granted is on deposit;
  - b. If the Applicant uses only a portion of the Allocation granted to issue bonds (or convert the Allocation to mortgage credit certificate authority), the Committee will authorize the release of the deposit in accordance with the conditions imposed at the time of Allocation. The Committee will approve the Allocation with the deposit fully refundable if 80% or more of the Allocation is used to issue bonds prior to the expiration date. If less than 80% of the Allocation is used to issue bonds prior to the expiration date, the refundable performance deposit will be pro-rated. For Mortgage Credit Certificate Programs, if 80% or more of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the performance deposit will be refunded in full. If less than 80% of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the refundable performance deposit will be pro-rated.
  - c. If the Applicant does not use any of the Allocation to issue bonds prior to the expiration date (or convert the Allocation to mortgage credit certificate authority and issue at least one mortgage credit certificate prior to the expiration date), the entire deposit will be forfeited; and
  - d. If the Applicant or the Project Sponsor withdraws the Application in writing prior to the Committee's consideration of the Application, the performance deposit shall be automatically released and no written authorization from the Committee shall be necessary.
4. If the Applicant forfeits all or a part of a deposit pursuant to Article 5 of Chapter 1 of the Committee's Regulations, the Applicant shall send the required amount to the Committee in a check made payable to "The California Debt Limit Allocation Committee". Amounts received will be deposited in the Committee's Fund.
5. Project Sponsors bear the risk of forfeiting all or part of their performance deposit if the Allocation is not used in accordance with the conditions and timeframes set forth in the Committee Resolution.

### **Attachment I (Past Program Performance)**

## Section I

### Past Program Performance of Program Sponsor's Student Loan Program(s)

If the allocation will be used for a direct lender program, answer only those questions below that are applicable to a direct lender. If the allocation will be used for a secondary market purchase program, answer only those questions below that are applicable to a secondary market purchase program.

- A. Provide the following information relating to Allocations of student loan qualified private activity bonds received in the past 5 years (i.e.-1995 through 1999). **Include an explanation for any unused amounts of Allocation (include plan for how unused amounts will be used):**

<u>Year</u>	<u>Amount of Allocation</u>	<u>Amount of Allocation Used for Reserves and Capitalized Interest</u>	<u>Amount of Allocation Made Available for Student Loans</u>	<u>Status of Unused Lendable Bond Proceeds</u>	<u>% of Last Allocation Granted that are Unused Lendable Proceeds</u>
-------------	-----------------------------	--	--	--	---

- B. Indicate the Applicant's total portfolio under management (i.e. amount, number of loans, etc.).

- C. Provide the following information relating to delinquencies as of the most recent month for which information is available:

<u>Month</u>	<u>30-60 Days</u>	<u>60-90 Days</u>	<u>90-120 Days</u>	<u>Over 120 Days</u>	<u>Total Delinquent Amount</u>	<u>% of Total Portfolio</u>
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## **Attachment I (Past Program Performance-continued)**

### **Past Program Performance of Program Sponsor's Student Loan Program(s)**

E. D. Provide the following information relating to defaults:

<u>Year</u>	<u>Total Default Amount</u>	<u>% of Loanable Funds</u>
-------------	-----------------------------	----------------------------

E. Provide the following information relating to loans sold during the most recent 3-year period (specify the 3-year period):

<u>Year</u>	<u>Number of Loans Sold</u>	<u>Dollar Amount of Loans Sold</u>	<u>% of Loans Sold Over 90-Days Delinquent</u>
-------------	-----------------------------	------------------------------------	--

F. Have there been any significant loan servicing problems with the portfolio(s) that have impacted the service provided to students? If so explain:

## **Attachment J (STUDENT LOAN SELF SCORING SHEET)**

(Section 5470(a)(1) of CDLAC Regulations)

**Calculation 1:** Take total amount lent from STUDENT MARKETMEASURE Standard Report 10D for both your program and any other programs that are requesting allocation for the Student Loan Program. Add up these amounts. Divide the total amount lent of your program by the total amount lent of all programs. Multiply this percentage by the Reservation for the Student Loan Program Pool.

### **Example of Calculation 1:**

Based on the STUDENT MARKETMEASURE Standard Report 10D:

Applicant A made \$200,000,000 in student loans.

Applicant B made \$100,000,000 in student loans.

Applicant A has lent 2/3 of the total amount lent by the two programs.

Applicant B has lent 1/3 of the total amount lent by the two programs.

Reservation for the Student Loan Program Pool is \$210,000,000

Applicant A receives \$140,000,000<sup>3</sup> ( $2/3 \times \$210,000,000$ )

Applicant B receives \$70,000,000<sup>4</sup> ( $1/3 \times \$210,000,000$ )

**Calculation 2:** In cases in which both programs (Applicant A and Applicant B) either (A) have not produced an average interest rate within 25% of the proposed target or (B) have both produced an average rate within 25% of the proposed target, this category will not alter the number determined by calculation 1. However, assuming that one program produced an average interest rate that is within 25% of their proposed target discount rate (Applicant B) and another program did not produce an average interest rate that is within 25% of their proposed target discount rate (Applicant A), determine the difference between Real Savings Per Student Number (row I from table on page 16 of the application) for Applicant A and Applicant B. Take this number and multiply it by number of loans made by Applicant A. This number is then added to Applicant B's allocation (as determined by calculation 1) and simultaneously taken away from Applicant A (as determined by calculation 1).

### **Example of Calculation 2:**

Applicant B (within 25% of their proposed target discount rate)

Applicant A (not within 25% of their proposed target discount rate)

Applicant B has a Real Savings Per Student of \$1,500

Applicant A has a Real Savings Per Student of \$1,200

Difference between Real Savings Per Student for the two programs (D) is \$300

Number of Loans made by Applicant B (for the time period covered by the most current STUDENT MARKETMEASURE Standard Report 10D): 10,000 loans (L)

Multiply (D) by (L):  $\$300 \times 10,000 = \$3,000,000$  (penalty/reward amount)

Per Calculation 1, Applicant A receives \$140,000,000 and Applicant B receives \$70,000,000;

However, based on Calculation 2, Applicant B receives \$73,000,000 and Applicant A receives \$137,000,000.

<sup>3</sup> This number could be changed after Calculation 2.

<sup>4</sup> This number could be changed after Calculation 2.



STATE OF CALIFORNIA

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
915 CAPITOL MALL, ROOM 311  
SACRAMENTO, CA 95814  
TELEPHONE: (916) 653-3255  
FAX: (916) 653-6827  
[www.treasurer.ca.gov](http://www.treasurer.ca.gov)

Jerree Glasser-Hedrick Sean L. Spear  
*Executive Director*

**MEMBERS**

John Chiang Bill Loeleyer,  
Chairman  
State Treasurer

Edmund G. Brown Jr.  
Governor

Betty Yee John Chiang  
State Controller

**FOR CDLAC USE ONLY**

Application No.: \_\_\_\_\_

Analyst: \_\_\_\_\_

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

**APPLICATION FOR AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)  
QUALIFIED ENERGY CONSERVATION BONDS (QECB)**

APPLICANT: \_\_\_\_\_

ISSUER: \_\_\_\_\_

PROJECT SPONSOR (private activity bonds only): \_\_\_\_\_

The Applicant hereby makes Application to The California Debt Limit Allocation Committee ("CDLAC" or "Committee") for the purpose of providing a qualified conservation energy bond program as described herein.

The Applicant agrees that it is the Applicant's responsibility to provide the Committee with one original and one duplicate copy of the complete Application, accompanied by a check made payable to the Committee in the amount of ~~\$600~~**1200** and a completed Performance Deposit Certification form. The Applicant understands that succinct answers providing the requested information are required. The Applicant understands that if additional space is required, each additional page will be clearly labeled. The Applicant agrees that it is also the Applicant's responsibility to provide all information that is deemed by the Committee to be necessary to evaluate the Application. The Applicant understands that the Committee may verify the information provided and analyze materials submitted as well as conduct its own investigation to evaluate the Application. The Applicant recognizes that it has a duty to inform the Committee when any information in the Application or supplemental materials is no longer true and to supply the Committee with accurate information.

The Applicant represents that it has read all Government Code sections relevant to the CDLAC Regulations Implementing the Allocation of the State Ceiling on Qualified Governmental and/or Private Activity Bonds ("Regulations"). The Applicant acknowledges that the Committee recommends that the Applicant seek advice from bond counsel.

The Applicant acknowledges that all materials and requirements are subject to change by enactment of federal or state legislation.

In carrying out the development and operation of the proposed program, the Applicant agrees to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all Committee program requirements. The Applicant acknowledges that the Application will be evaluated based on federal and state statutes

and regulations pertaining to Qualified Governmental and/or Private Activity Bonds for Qualified Energy Conservation Bond program and the Regulations, which identify the minimum requirements, and other standards which will be employed to evaluate Applications.

The Applicant acknowledges that the information submitted to the Committee in this Application or supplemental thereto may be subject to the Public Records Act or other disclosure. The Applicant understands that the Committee may make such information public. The Committee will maintain as confidential, certain financial information, but cannot guarantee confidentiality.

The Applicant declares under penalty of perjury that the information contained in the Application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of its knowledge and belief. The Applicant understands that misrepresentation may result in the cancellation of an Allocation, and other actions which the Committee is authorized to take.

The Applicant agrees to hold the Committee, its members, officers, agents, and employees harmless from any matters arising out of or related to the awarded Allocation.

The Applicant certifies that it is in compliance with all applicable statutes, laws, rules, and regulations necessary for the transaction of its business.

The Applicant acknowledges that all Application materials are to be delivered to the address below, **by 4:00 p.m.** on the appropriate date at the following address:

The California Debt Limit Allocation Committee  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

\_\_\_\_\_  
Signature of Applicant's Senior Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Project Sponsor Officer  
(private activity bonds only)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Issuer's Senior Official  
(if different than Applicant)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

Additional information may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac> or by calling the Committee at (916) 653-3255.

The California Debt Limit Allocation Committee complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of the California Debt Limit Allocation Committee in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact the California Debt Limit Allocation Committee at (916) 653-3255 or TDD (916) 654-9922.

# THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

## APPLICATION FOR A RE-ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY AND/OR GOVERNMENTAL BONDS FOR AN ENERGY CONSERVATION BOND PROGRAM

All references to federal statute are cited for information only. Bond counsel must be consulted as the requirements are subject to change.

### PART I – FINANCING TEAM INFORMATION

1. Name of Applicant (entity issuing bonds):

Mailing Address:  
City, State, Zip Code:

Federal Identification No.:

*For mailing of official documents:*

Name of Senior Official:  
Title of Senior Official:

Telephone #: (      )  
Fax #: (      )  
E-mail:

*For questions concerning application:*

Name of Contact Person:  
Title of Contact Person:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (      )  
Fax #: (      )  
E-mail:

2. Name of Issuer (if different than Applicant)

Mailing Address:  
City, State, Zip Code:

Federal Identification No.:

*For mailing of official documents:*

Name of Senior Official:  
Title of Senior Official:

Telephone #: (      )  
Fax #: (      )  
E-mail:

*For questions concerning application:*

Name of Contact Person:  
Title of Contact Person:  
Mailing Address:

Telephone #: (      )  
Fax #: (      )  
E-mail:

City, State, Zip Code:

3. Name of Bond Counsel Firm:

Name of Attorney:

Telephone #: (     )

Mailing Address:

Fax #: (     )

City, State, Zip Code:

E-mail:

4. Name of Tax Counsel Firm (if applicable):

Name of Attorney:

Telephone #: (     )

Mailing Address:

Fax #: (     )

City, State, Zip Code:

E-mail:

5. Name of Bond Underwriter Firm:

Name of Agent:

Telephone #: (     )

Mailing address:

Fax #: (     )

City, State, Zip Code:

E-mail:

6. Name of Financial Advisor Firm:

Name of Agent:

Telephone #: (     )

Mailing Address:

Fax #: (     )

City, State, Zip Code:

E-mail:

7. Name of Credit Enhancement Provider (if applicable):

Name of Agent:

Telephone #: (     )

Mailing Address:

Fax #: (     )

City, State, Zip Code:

E-mail:

8. Name of Project Sponsor (Borrower entity, for private activity bonds only):

Name of Senior Officer:

Telephone #: (     )

Title of Senior Officer:

Fax #: (     )

Mailing Address:

E-mail:

City, State, Zip Code:

Name of Contact Person (if different from Senior Officer):

Title of Contact Person:

Telephone #: (     )

Fax #: (     )

E-mail:

## PART II – ALLOCATION/BOND ISSUE INFORMATION

1. Amount of allocation requested: \$
2. Proposed date of bond issuance:
3. Attach (**Attachment “A”**) issuer’s adopted resolution(s) approving the Program and authorizing application to the Committee. (See Section 5033(b)(5) of the CDLAC Regulations)
4. Date of TEFRA approval (for private activity bonds only):  
  
Submit (**Attachment “B”**) proof of TEFRA  
(Public approval process required by 26 U.S.C. Section 147(f)).  
(See Section 5033(b)(6) of the CDLAC Regulations.)
5. Indicate whether bonds will be sold in a public offering or in a private placement:
6. If applicable, briefly describe credit enhancement structure or private placement transaction (include, at a minimum, the amount, closing deadlines, security/collateral provided, guaranties, anticipated closing date, etc.):

Attach (**Attachment “C”**, if more than one commitment, label Attachments in sequential order as “**C-1, C-2**”, etc.) the credit enhancement commitment or commitment to purchase privately placed bonds. (See Article 6 of the CDLAC Regulations.)

7. Anticipated bond rating (see Sections 5061, 5063 and 5064 of the CDLAC Regulations):

	<u>Rating</u>	<u>Date Rating Anticipated</u>
Fitch		
Moody's		
Standard & Poor's		
Other		



## PART III - PROJECT / PROGRAM INFORMATION

### 1. Proposed Project/Program Description.

Attach (**Attachment "D"**) a narrative of the proposed Project or Program that, at a minimum, must include all of the following:

#### A. General information for all projects or programs:

1. Legal Name of Applicant
2. Date and Place Organized and Ownership Structure
3. Owners of Applicant (Include percent ownership) (if applicable)
4. Corporate Officers (if applicable)
5. Site location, if applicable  
(please enter property address, city, county, zip code and census tract information below)

##### a) Project Street Address:

City:

County:

Zip Code:

b) Census Tract in which the proposed Project is located:	
---	--

#### B. Project and/or Program information:

1. Qualified Conservation Purpose and Details of Project (general description of project and its purpose)  
(*Only complete sections that are applicable*)

#### SUMMARY INFORMATION

##### a) Technology:

- i. What is the individual product cost? How does this compare with the cost of competing technologies?
- ii. Is the technology new or does it make a significant (increase in output/efficiency, decrease in cost, new method) improvement on existing technology?
- iii. Does the technology already have significant market penetration?
- iv. Is the technology eligible for any other existing incentives?

##### b) Quantify the annual greenhouse gas and criteria pollutant emissions reductions that will result from the project.

##### c) Job Creation

- i. How many temporary jobs will be created?
- ii. How many full time jobs will be created?

2. Provide information regarding the project's compliance with all local, state, and federal requirements, including the status of construction permits and environmental approval.

#### REQUIRED ARRA INFORMATION

- 1) If applicable, what are capital expenditures to be used for (qualified uses listed below)?
  - a) Reduction of energy consumption in publicly-owned buildings by at least 20 percent
  - b) Implementation of green community programs (including the use of loans, grants, or other repayment mechanisms to implement such programs)

- c) rural development involving the production of electricity from renewable energy resources
  - d) any qualified facility eligible for the production tax credit under Section 45 of the IRS Code
  - e) Mass commuting facilities and related facilities that reduce the consumption of energy, including expenditures to reduce pollution from vehicles used for mass commuting.
- 2) For projects that are not financing capital expenditures, what are expenditures to be used for (qualified uses listed below)?
- 3) Please describe the goal of expenditures with respect to research facilities, and research grants, to support research for the development of:
- a) cellulosic ethanol or other nonfossil fuels
  - b) technologies for the capture and sequestration of carbon dioxide produced through the use of fossil fuels
  - c) increasing the efficiency of existing technologies for producing nonfossil fuels
  - d) automobile battery technologies and other technologies to reduce fossil fuel consumption in transportation
  - e) technologies to reduce energy use in buildings
- 4) Please describe qualified demonstration project designed to promote commercialization of:
- a) green building technology; and/or,
  - b) conversion of agricultural waste for use in the production of fuel or otherwise; and/or,
  - c) advanced battery manufacturing technologies; and/or,
  - d) technologies to reduce peak use of electricity; and/or,
  - e) technologies for the capture and sequestration of carbon dioxide emitted from combining fossil fuels in order to produce electricity.
- 5) Please describe public education campaigns to promote energy efficiency.
- 6) Energy Efficiency:
- a) Will project result in a reduction in energy consumption of publicly owned building?
  - b) Will project result in an increase in efficiency of existing technologies for producing non-fossil fuels?
  - c) Will project result in a reduction in fossil fuel production due to development of automobile battery technologies and other technologies?
  - d) Will project result in a reduction in general energy usage due to technology?
  - e) Will project result in a reduction in the consumption of energy due to the development of mass commuting facilities and other related facilities?
  - f) How does this compare to similar mainstream and emerging technologies?
- 7) Project Cost and Financing Information for All Projects
- a) Project cost (breakdown by cost for land, buildings, equipment, other, Total)
  - b) Source(s) of Project funding (breakdown by funding for land, buildings, equipment)
  - c) Estimated target date of financing
  - d) Estimated term of financing
  - e) Financial team information
  - f) Will issuer be issuing private activity bonds?

## **PART IV – SELLER OF PROPERTY INFORMATION**

This PART is to be completed if bond proceeds will finance the acquisition of property.

**1. Name of Property Seller:**

**Business Street Address:**

**City:**

**State:**

**Zip code:**

**Telephone number: ( )**

**2. Principals, business addresses and telephone numbers of each partner comprising the Seller:**

**3. When is sale of property expected to close escrow?**

## PART V – ELIGIBILITY REQUIREMENTS

**Applicants are advised to read Section 5571 of the Committee's Regulations regarding the Qualified Energy Conservation Bond Program when answering the following questions.**

1. An application must meet the following eligibility requirements:
  - A. Eligible QECB Reallocation Applicant Requirement: Applicant must be a city, county, state entity or Indian Tribal Government located in the State of California.
  - B. Eligible QECB Reallocation Issuer Requirement: Issuer must be Eligible Issuer of QECB's. (Please see definition immediately below).

Per IRS Notice 2009-29, "Eligible issuers include States, political subdivisions as defined for purposes of § 103, and entities empowered to issue bonds on behalf of any such entity under rules similar to those for determining whether a bond issued on behalf of a State or political subdivision constitutes an obligation of that State or political subdivision for purposes of § 103 and § 1.103-1(b) of the regulations."

2. Attach (**Attachments "F" and "G"**) evidence documenting the proposed Energy Conservation Project and/or Program will meet the following Qualified Conservation Purpose and Readiness Requirements:

- A. Qualified Conservation Purpose Requirement.

- 1) 100 percent of the proceeds of the QECB issue must be used for one of the following "qualified conservation purposes" (**Attachment "F"**):

- a) Capital expenditures incurred for purposes of (i) reducing energy consumption in publicly-owned buildings by at least 20 percent, (ii) implementing green community programs (including the use of loans, grants, or other repayment mechanisms to implement such programs), (iii) rural development involving the production of electricity from renewable energy resources, or (iv) any qualified facility eligible for the production tax credit under Section 45 of the IRS Code.
- b) Expenditures with respect to research facilities, and research grants, to support research in (i) development of cellulosic ethanol or other non-fossil fuels, (ii) technologies for the capture and sequestration of carbon dioxide produced through the use of fossil fuels, (iii) increasing the efficiency of existing technologies for producing non-fossil fuels, (iv) automobile battery technologies and other technologies to reduce fossil fuel consumption in transportation, or (v) technologies to reduce energy use in buildings.
- c) Mass commuting facilities and related facilities that reduce the consumption of energy, including expenditures to reduce pollution from vehicles used for mass commuting.
- d) Demonstration projects designed to promote the commercialization of (i) green building technology, (ii) conversion of agricultural waste for use in the production of fuel or otherwise, (iii) advanced battery manufacturing technologies, (iv) technologies to reduce peak use of electricity, or (v) technologies for the capture and sequestration of carbon dioxide emitted from combining fossil fuels in order to produce electricity.
- e) Public education campaigns to promote energy efficiency.

- B. Readiness requirement.

- 1) The Project Sponsor and/or Governmental Entity must attach a detailed time schedule for the following elements of the project and/or program. (**Attachment "G"**)
  - a) Estimated date of issuance
  - b) If applicable, estimated beginning date and ending date of project construction.
  - c) If applicable, estimated funding of grants for research and research facilities.

- d) If applicable, estimated beginning of public education campaigns
- e) If applicable, estimated implementation of demonstration projects
- f) If applicable, estimated date that site control will be established

2) The Project Sponsor and/or Governmental Entity must provide proof of Credit Enhancement and/or a Private Placement Purchaser as evidenced by a commitment to provide a letter of credit and / or commitment to purchase the bonds. **(Attachment "C")**

3) The Project Sponsor must provide evidence that they have obtained (or will obtain) all required public entitlement requirements **(Attachment "H")**.

**C.) Reporting Requirement (this requirement will be noted in the CDLAC resolution)**

The Project Sponsor and/or Governmental Entity must provide routine status reports of the usage of QECB allocation as authenticated by qualified third party (quarterly or other timeline as determined by the Committee). **(EXHIBIT A)**

## PART VI – EVALUATION CRITERIA

Upon a determination that an Application has met the minimum requirements set forth in PART V, Applicants will receive points and be ranked according to how they perform within their particular project and/ or program pool:

### 1. Capital Expenditures Pool

#### A. Qualified Facilities (Private Activity Use and Governmental Use) (10 point maximum). (Attachment “J”)

All Qualified Facility Projects must be in compliance with the Renewable Portfolio Standard Eligibility Requirements of the California Energy Commission.

1. Ten points will be awarded to the wind facility, closed-loop or open-loop biomass facility, geothermal or solar energy facility, small irrigation power facility, landfill gas facility, trash combustion facility or qualified hydropower facility that produces the highest amount of kilowatt hours of electricity. (first place)
2. Five points will be awarded to the wind facility, closed-loop or open-loop biomass facility, geothermal or solar energy facility, small irrigation power facility, landfill gas facility, trash combustion facility or qualified hydropower facility that produces the second highest amount of kilowatt hours of electricity. (second place)
3. Two points will be awarded to the wind facility, closed-loop or open-loop biomass facility, geothermal or solar energy facility, small irrigation power facility, landfill gas facility, trash combustion facility or qualified hydropower facility that produces the third highest amount of kilowatt hours of electricity. (third place)
4. No points will be awarded to the project that produces the lowest amount of kilowatt hours of electricity.
5. Qualified Facility Projects that include Energy Efficient Publicly Owned Buildings may apply for bonus points if they meet the criterion set out in Section 5580(a)(4).

#### B. Energy Consumption Reduction and Pollution Reduction of Mass Commuting Facilities and Related Facilities (Private Activity Use and Governmental Use) (12 point maximum). (Attachment “K”)

1. Twelve points will be awarded to the Mass Commuting Facility and/or Related Facility that will result in the lowest amount of energy consumption and/or highest amount of pollution reduction. (first place)
2. Eight points will be awarded to the Mass Commuting Facility and/or Related Facility that will result in the second lowest amount of energy consumption and/or second highest amount of pollution reduction. (second place)
3. Four points will be awarded to the Mass Commuting Facility and/or Related Facility that will result in the third lowest amount of energy consumption and/or third highest amount of pollution reduction. (third place)
4. No points will be awarded to the Mass Commuting Facility and/or Related Facility that will result in a highest energy consumption and/or lowest pollution production.

5. Mass Community Facility and/or Related Facility projects that include Energy Efficient Publicly Owned Buildings may apply for bonus points if they meet the criterion set out in Section 5580(a)(4).

**C. Rural Development Electricity from Renewable Resources  
(Private Activity Use and Governmental Use) (12 point maximum).  
(Attachment "L")**

1. Twelve points will be awarded to the rural project that will produce the highest amount of kilowatt hours of electricity from renewable resources. (first place)
2. Eight points will be awarded to the project that will produce the second highest amount of kilowatt hours of electricity from renewable resources. (second place)
3. Four points will be awarded to the project that will produce the third highest amount of kilowatt hours of electricity from renewable resources. (third place)
4. No points will be awarded to the project that produces the lowest amount of kilowatt hours of electricity.
5. Elective: Two additional points will be awarded to a rural project that delivers electricity to a population of 10,000 (or more) that are not on the electricity grid at the time of application.
6. Rural Development Electricity from Renewable Resource projects that include Energy Efficient Publicly Owned Buildings may apply for additional bonus points if they meet the criterion set out in Section 5580(a)(4).

**D. Energy Efficient Publicly Owned Buildings (Governmental Use Only) (10 point maximum).  
(Attachment "M")**

One point will be awarded to projects for every percentage point beyond the minimum required (20%) that energy consumption is reduced in a publicly owned building. This information must be certified by a licensed mechanical engineer or architect.

**II. Energy Program Pool**

**A. Effectiveness of Research Investments (10 point maximum)  
(Attachment "N")**

1. Ten points will be awarded to the research that will result in technology with the lowest carbon footprint in terms of Greenhouse Gas Emissions. (first place).
2. Five points will be awarded to the research that will result in technology with the second lowest carbon footprint (second place).
3. Two points will be awarded to the research that will result in technology with the third lowest carbon footprint (third place).
4. No points will be awarded to the research that will result in technology with the highest carbon footprint.

**B. Demonstration Projects (10 point maximum).  
(Attachment "O")**

The criteria used to evaluate the approach of the Demonstration Project will include, but will not limited to the following: the size, experience and capacity of

the demonstration client base, the verification of the practicality and marketability of the demonstrated technology by a third party, and the overall degree of environmental benefit of the demonstrated technology. Overall degree of environmental benefit of the technology will be measured by reductions in energy consumption measured in kWh saved and/or the amount of greenhouse gas emissions measured in MMTCO<sub>2</sub>e (million metric tons of CO<sub>2</sub> equivalent). Applicants will be required to document their previous success with the introduction, marketing and production of a new technology. (See Attachment X)

1. Ten points will be awarded to the Demonstration Project that has the most comprehensive and impactful approach to the commercialization of green technologies. (first place)
2. Five points will be awarded to the Demonstration Project that has the second most comprehensive and impactful approach to the commercialization of green technologies. (second place)
3. Two points will be awarded to the Demonstration Project that has the third most comprehensive and impactful approach to the commercialization of green technologies. (third place)
4. No points will be awarded to the Demonstration Project that has the least comprehensive and impactful approach to the commercialization of green technologies.

**C. Public Education Campaign (10 point maximum)**  
**(Attachment "P")**

The following criteria will be used to evaluate a Campaign's approach: number and size of clients willing to host public education seminars (authenticated by clients); depth and clarity of potential public education seminars; number of seminars per dollar of allocation.

1. Ten points will be awarded to the Public Education Campaign with the most comprehensive approach to increasing public awareness of energy efficient technologies, energy conservation funding sources, etc. (first place)
2. Five points will be awarded to the Public Education Campaign with the second most comprehensive approach to increasing public awareness of energy efficient technologies, energy conservation funding sources, etc. (second place)
3. Two points will be awarded to the Public Education Campaign with the third most comprehensive approach to increasing public awareness of energy efficient technologies, energy conservation funding sources, etc. (third place)
4. No points will be awarded to Public Education Campaign with the least comprehensive approach to increasing public awareness of energy efficient technologies, energy conservation funding sources, etc.

**III. Loan / Grant Program Pool (10 point maximum).**  
**(Attachment "Q")**

A. Two points will be awarded for every loan that will be funded per \$10,000 of allocation used. One point will be awarded for every grant that will be funded per \$10,000 of allocation used.

B. Loans and Grants can be for capital expenditures associated with implementing green community programs, research grants for promoting green technologies, demonstration projects and public education campaigns.

C. Applicants will be asked to provide the following information: description of what is being funded with the loans and/or grants; capacity of the funding (i.e. - the number and size of



the loans); loan criteria and awarding process; and compliance measures that will be imposed on recipients of loans and/or grants.

D. Federal tax law mandates that 100 percent or more of the available project proceeds be spent for qualified QECB uses. CDLAC will require Applicants to provide documentation evidencing their initial usage of bond proceeds.

## **QECB APPLICATION DOCUMENTS CHECKLIST**

**This checklist is provided to ensure that a completed application package is filed with the Committee. If an attachment does not apply, please write N/A in the space provided.**

**Your application package must contain the following:**

<b>Check Box</b>	<b>Document Description</b>	<b>Attachment Name</b>
	\$6001200 initial filing fee. (See Section 5033(b)(2) of the CDLAC Regulations.)	-
	Signed Deposit Certification Form (for private activity bonds only). (See Section 5033(b)(1) of the CDLAC Regulations.)	-
	One (1) Completed and signed application form and one (1) duplicate. Duplicate shall be bound in a three ring binder with all attachments labeled.	-
	Issuer's Adopted Resolution(s) authorizing Program & CDLAC Application (See Section 5033(b)(5) of the CDLAC Regulations.)	A
	Evidence of TEFRA process (for private activity bonds only) (See Section 5033(b)(6). of the CDLAC Regulations.)	B
	Evidence of Credit Enhancement or Bond Purchase Commitment. (See Article 6 of the CDLAC Regulations.)	C
	Program description narrative	D
	Project /Program Cost Breakdown	E
	Evidence of Minimum Requirement-Qualified Conservation Purpose (See Section 5571(e) of the CDLAC Regulations)	F
	Evidence of Minimum Requirement-Time Schedule	G
	Verification of Zoning and Local Approvals (private activity bonds only)	H
	Multiple Allocation Tracking Information	I
	Qualified Facilities Energy Production Information (if applicable)	J
	Mass Commuting Facilities Energy Consumption and Pollution Reduction Information (if applicable)	K
	Rural Development Electricity Production from Renewable Resources Information (if applicable)	L
	Energy Efficient Publicly Owned Buildings Information (if applicable)	M
	Effectiveness of Research Investments Information (if applicable)	N
	Demonstration Project Information (if applicable)	O
	Public Education Campaign Information (if applicable)	P
	Loan / Grant Program Information (if applicable)	Q
	Legal Status Questionnaire (for private activity bonds only)	R
	Required Tracking Information	EXHIBIT A
	Duplicate copy of the CDLAC Application with Attachment [NOTE: Any subsequent mailings of additional application materials should be in <u>duplicate</u> .]	

**PERFORMANCE DEPOSIT CERTIFICATION FORM**  
**FOR AN APPLICATION FOR AN ALLOCATION OF QUALIFIED PRIVATE ACTIVITY BONDS**

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)**

915 Capitol Mall, Room 311  
Sacramento, CA 95814  
(916) 653-3255

**CERTIFICATION OF THE (Applicant)**  
**REGARDING AN APPLICATION FOR QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION**

In connection with the following Qualified Private Activity Bond Application:

**APPLICANT:** \_\_\_\_\_

**AMOUNT OF ALLOCATION REQUESTED: \$** \_\_\_\_\_

**PROJECT NAME/PROJECT TYPE:** \_\_\_\_\_

the undersigned officer of the \_\_\_\_\_ **(Applicant)** hereby certifies as follows:

1. I, \_\_\_\_\_ (Name), am the \_\_\_\_\_ (Title) of the **(Applicant)**, and am duly authorized to make the deposit required below.
2. The **(Applicant)** has collected and has placed on deposit in an account in a financial institution \$ \_\_\_\_\_, \_\_\_\_\_ dollars (write out dollar amount in words), which **equals one half of one percent** of the amount of the Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000.**
3. The deposit will be held until receipt of a written notification from the California Debt Limit Allocation Committee that the deposit is authorized to be released or forfeited, in whole or in part, pursuant to Article 5 of Chapter 1 of the Committee's Regulations.
4. To the extent that any portion of the deposit is forfeited, the Applicant agrees to send the required amount in a check made payable to "The California Debt Limit Allocation Committee." Such check shall be mailed to the Committee at the address noted above immediately upon receipt of the written notification from the Committee.
5. The undersigned has read the Regulations of the California Debt Limit Allocation Committee and understands that if a Qualified Private Activity Bond Allocation is not used for the purpose for which it was granted, the performance deposit must be forfeited to the Committee.

\_\_\_\_\_  
Signature of Senior Official

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

1. Each Applicant for a Qualified Private Activity Bond Allocation must submit evidence to the Committee that it has on deposit in an account in a financial institution an amount **equal to one half of one percent** of the amount of Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000**. Applicants are advised to read Article 5 of Chapter 1 of the Committee's Regulations.
2. The Performance Deposit Certification Form (see other side) must be filed with the Committee in conjunction with the filing of an Application and by the Application Deadline.
3. The Committee will authorize release or require forfeiture of the deposit as follows:
  - a. If the Committee provides no Allocation, or grants an amount lower than requested by the Applicant, the Committee will authorize release of the deposit or release of a pro rata amount of the deposit so that only one-half of one percent (0.5%) of the Allocation granted is on deposit;
  - b. If the Applicant uses only a portion of the Allocation granted to issue bonds (or convert the Allocation to mortgage credit certificate authority), the Committee will authorize the release of the deposit in accordance with the conditions imposed at the time of Allocation. The Committee will approve the Allocation with the deposit fully refundable if 80% or more of the Allocation is used to issue bonds prior to the expiration date. If less than 80% of the Allocation is used to issue bonds prior to the expiration date, the refundable performance deposit will be pro-rated. For Mortgage Credit Certificate Programs, if 80% or more of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the performance deposit will be refunded in full. If less than 80% of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the refundable performance deposit will be pro-rated.
  - c. If the Applicant does not use any of the Allocation to issue bonds prior to the expiration date (or convert the Allocation to mortgage credit certificate authority and issue at least one mortgage credit certificate prior to the expiration date), the entire deposit will be forfeited; and
  - d. If the Applicant or the Project Sponsor withdraws the Application in writing prior to the Committee's consideration of the Application, the performance deposit shall be automatically released and no written authorization from the Committee shall be necessary.
4. If the Applicant forfeits all or a part of a deposit pursuant to Article 5 of Chapter 1 of the Committee's Regulations, the Applicant shall send the required amount to the Committee in a check made payable to "The California Debt Limit Allocation Committee". Amounts received will be deposited in the Committee's Fund.
5. Project Sponsors bear the risk of forfeiting all or part of their performance deposit if the Allocation is not used in accordance with the conditions and timeframes set forth in the Committee Resolution.

## **ATTACHMENT A**

### **Issuer's Adopted Resolution(s) Authorizing Program & CDLAC Application**

## **ATTACHMENT B**

### **Evidence of TEFRA Process for Private Activity Bonds Only**

## **ATTACHMENT C**

### **Evidence of Bond Sale Structure**

## **ATTACHMENT D**

### **Program Description Narrative**



## ATTACHMENT E

## Project / Program Cost Breakdown

**Costs of the Project or Program.** State the total costs associated with the acquisition of the site and construction of the proposed project or program, including any utilities and proposed machinery and equipment purchases. Separate the costs based on their financing sources: the left column should total the bond amount; the sum of both columns should equal the total project costs.

[illegible]

## **ATTACHMENT F**

### **Evidence of Minimum Requirements-Qualified Conservation Purpose**

1. Attach (**Attachment “F”**) evidence documenting the proposed Energy Conservation Project and/or Program will meet the Qualified Conservation Purpose of IRS Notice 2009-29<sup>1</sup>:

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<sup>1</sup> Applicant must provide a legal memo from bond counsel that states that the project meets the “qualified conservation purpose” requirement laid out in IRS Notice 2009-29.

## **ATTACHMENT G**

### **Evidence of Minimum Requirements-Time Schedule**

The Project Sponsor and/or Governmental Entity must fill out the table below and attach a detailed time schedule for the following elements of the project and/or program<sup>2</sup>. (**Attachment “G”**)

- Estimated date of issuance
- If applicable, estimated beginning date and ending date of project construction.
- If applicable, estimated funding of grants for research and research facilities.
- If applicable, estimated beginning of public education campaigns
- If applicable, estimated implementation of demonstration projects
- If applicable, estimated date that site control will be established

Estimated Date of Issuance	Estimated Beginning Date and Ending Date of Project Construction	Estimated funding of Grants for Research and Research Facilities	Estimated Implementation of Demonstration Projects	Estimated Date that Site Control Will Be Established

<sup>2</sup> Applicant must also provide a thorough and complete time schedule for the project.  
The Applicant must certify that the time schedule is a realistic estimate of their project's timeline.

## **ATTACHMENT H**

### **THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

#### **VERIFICATION OF ZONING AND LOCAL APPROVALS** **(PRIVATE ACTIVITY BONDS ONLY)**

**PROJECT NAME:**

**PROJECT ADDRESS:**

**ASSESSOR PARCEL NUMBER (S):**

**PLANNING FILE NUMBER:**

**PROJECT CITY:**

The entire parcel upon which the above-described project will be located is zoned \_\_\_\_\_, which allows for project development of no greater than \_\_\_\_\_ square feet per acre or floor area ratio (FAR). Please indicate which measure is being used.

1. Does the project currently comply with all applicable local land use and zoning ordinances (If no, please explain)?
2. Please describe the current zoning allowed for the site.
3. Has the agency or department obtained all local approvals (other than a building permit) necessary to begin construction (If no, please explain)?
4. Are there any outstanding approvals required by the Planning Commission, City Council, or Board of Supervisors for land use entitlements (If yes, please explain)?
5. Are you aware of any state approvals which may be required (If yes, please explain)?

DATED: \_\_\_\_\_

STATEMENT COMPLETED BY: \_\_\_\_\_  
(Please Print Name of Planning Agency Representative)

SIGNATURE OF PLANNING AGENCY REPRESENTATIVE: \_\_\_\_\_

TITLE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

## ATTACHMENT I

### Multiple Allocation Tracking Information

In the table below, please provide the information requested that pertains to the allocation awarded:

NOTE: *This attachment needs to be filled out after an award of allocation is received.*

	Amount of	Amount of	Amount of	Amount of Private
			Governmental	Activity Bonds Issued
<u>Year</u>	<u>Allocation Awarded</u>	<u>Allocation Used</u>	<u>Bonds Issued</u>	
	\$	\$		\$
	\$	\$		\$
	\$	\$		\$

\*Please explain the reason for any outstanding bond proceeds, the federal expiration date for using the bond proceeds, and the Applicant's plan for expending the bond proceeds prior to the expiration date or reasons for not expending the bond proceeds prior to the federal expiration date.

In the tables below relating to program performance in the past 3 calendar years, please provide the information that pertains to the number of loans issued in a year, regardless of the year in which the allocation was awarded:

## **ATTACHMENT J**

### **Qualified Facilities Energy Production Information (if applicable)**

Please enter as much information as possible in the tables. Any information that can not fit in the tables, can be included in attachments to this document. Indicate if the project will include a reduction in energy consumption in publicly owned buildings beyond the minimum required 20%. Please also indicate how much energy consumption will be reduced. Cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party. All Qualified Facility Projects must be in compliance with the Renewable Portfolio Standard Eligibility Requirements of the California Energy Commission.

NOTE: The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee's review. The review process shall result in a written policy concerning the new area of business.

Name of Project	Type of Project <sup>3</sup>	Estimated production of kilowatt hours of electricity by qualified facility	Verification of estimated production of kilowatt hours of electricity by qualified facility <sup>4</sup>
		<u>                    </u> kWh	

<sup>3</sup> Please note if the project will include a reduction in energy consumption in publicly owned buildings beyond the minimum required 20%; please also indicate how much energy consumption will be reduced.

<sup>4</sup> Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

## **ATTACHMENT K**

### **Mass Commuting Facilities and Related Facilities Energy Consumption and Pollution Reduction Information (if applicable)**

Please enter as much information as possible in the tables. Any information that can not fit in the tables, can be included in attachments to this document. Indicate if the project will include a reduction in energy consumption in publicly owned buildings. Also, indicate how much energy consumption will be reduced. In addition, use the industry standard measurements of energy consumption and/or pollution reduction. Lastly, cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

NOTE: The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee's review. The review process shall result in a written policy concerning the new area of business.

Name of Project	Type of Project <sup>5</sup>	Estimated energy consumption and/or pollution reduction <sup>6</sup>	Verification of estimated energy consumption and/or pollution reduction of mass commuting facility and related facilities <sup>7</sup>

<sup>5</sup> Please note if the project will include a reduction in energy consumption in publicly owned buildings; please also indicate how much energy consumption will be reduced.

<sup>6</sup> Please use the industry standard measurements of energy consumption and/or pollution reduction.

<sup>7</sup> Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

## **ATTACHMENT L**

### **Rural Development Electricity Production from Renewable Resources Information (if applicable)**

Enter as much information as possible in the tables. Any information that can not fit in the tables, can be included in attachments to this document. Also, please note if the project will include a reduction in energy consumption in publicly owned buildings. Please also indicate how much energy consumption will be reduced. Lastly, cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party. Third party should verify that renewable resources are the source of electricity production, as well as the amount of electricity production.

NOTE: The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee's review. The review process shall result in a written policy concerning the new area of business.

CDLAC will also verify that a project is in a "rural area", as defined in State statute, Health and Safety Code Section 50199.21.

Name of Project	Type of Project <sup>8</sup>	Estimated production of kilowatt hours of electricity from renewable resources by rural project	Verification of estimated production of kilowatt hours from renewable resources by rural project <sup>9</sup>

<sup>8</sup> Please note if the project will include a reduction in energy consumption in publicly owned buildings; please also indicate how much energy consumption will be reduced.

<sup>9</sup> Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party; third party should verify that renewable resources are the source of electricity production, as well as the amount of electricity production.



## **ATTACHMENT M**

### **Energy Efficient Publicly Owned Buildings Information (if applicable)**

Please enter as much information as possible in the tables. Any information that can not fit in the tables, can be included in attachments to this document. Please note that a project must cause a reduction in energy consumption in a publicly owned building beyond the minimum reduction of 20% that is required for a project to meet the qualified conservation purpose requirements of IRS Notice 2009-29. Please also cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

NOTE: The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee's review. The review process shall result in a written policy concerning the new area of business.

Name of Project	Type of Project	Estimated percentage that energy consumption will be reduced by project <sup>10</sup>

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<sup>10</sup> Please note that a project must cause a reduction in energy consumption in a publicly owned building beyond the minimum reduction of 20% that is required for a project to meet the qualified conservation purpose requirements of IRS Notice 2009-29. Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

## **ATTACHMENT N**

### **Effectiveness of Research Investments Information (if applicable)**

Please enter as much information as possible in the tables. Any information that can not fit in the tables, can be included in attachments to this document. Amount of the carbon footprint should be measured by Greenhouse Gas Emissions. Please use the industry standard measurement of MMTCO<sub>2</sub> (million metric tons of CO<sub>2</sub> equivalent) for Greenhouse Gas Emissions. Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

NOTE: The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee's review. The review process shall result in a written policy concerning the new area of business.

Name of Project	Type of Project	Estimated carbon footprint of technology that will result from research investment <sup>11</sup>

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<sup>11</sup> Amount of the carbon footprint should be measured by Greenhouse Gas Emissions. Please use the industry standard measurement of MMTCO<sub>2</sub> (million metric tons of CO<sub>2</sub> equivalent) for Greenhouse Gas Emissions. Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

## **ATTACHMENT O**

### **Demonstration Project Information (if applicable)**

Please enter as much information as possible in the tables. Any information that can not fit in the tables, can be included in attachments to this document. Please cite name of all qualified third parties that verified the following: 1) the client's projected sales of demonstrated technology; 2) environmental benefit of demonstrated technology; 3) Applicant's previous success with the introduction, marketing and production of a new technology. In addition, please attach all verification documents from qualified third parties to this document.

NOTE: The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee's review. The review process shall result in a written policy concerning the new area of business.

Name of Demonstration Project(s)	Name of Demonstration Client(s) <sup>12</sup>	Net worth of Client (\$)	Years of Experience of Client in Manufacturing Technologies

Manufacturing Capacity of Client <sup>13</sup>	Degree of Environmental Benefit of Demonstrated Technology <sup>14</sup>	Applicant's previous success with the introduction, marketing and production of a new technology. <sup>15</sup>

<sup>12</sup> The Applicant and/or Project Sponsor will market the demonstration project to a client with the express goal of having the client manufacture the technology.

<sup>13</sup> The Applicant and/or Project Sponsor should cite the client's projected sales of the technology. This will need to be verified by an appropriate third party or appropriate and vetted expert of Client.

<sup>14</sup> Environmental benefit of demonstrated technology will be measured by reductions in energy consumption measured in kWh saved and/or the amount of greenhouse gas emissions measured in MMTCO<sub>2</sub>e (million metric tons of CO<sub>2</sub> equivalent). This will need to be verified by an appropriate third party.

<sup>15</sup> Applicants will be required to use third party documentation to verify their previous success with the introduction, marketing and production of a new technology.

## ATTACHMENT P

### **Public Education Campaign Information (if applicable)**

Please enter as much information as possible in the tables. Any information that can not fit in the tables, can be included in attachments to this document.

***Applicants must attach a detailed business model or implementation plan for their public education activities.***

NOTE: The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee's review. The review process shall result in a written policy concerning the new area of business.

Dollars (\$) of allocation Per Seminar	Name of Public Education Campaign(s)	Name of Public Education Campaign(s) and Size of Target Group(s) <sup>16</sup>	Potential Penetration of Energy Community: Networking Capacity of Target Group(s) <sup>17</sup>

<sup>16</sup> Target groups must provide evidence of their size. This documentation will be used to determine the impact of the public education campaign. They must also authenticate that they will host or facilitate a public education seminar or other public education medium as evidenced by a deposit of funds or a form of official agreement. Please attach documentation to this attachment.

<sup>17</sup> Target groups must provide documentation of their networking capacity as evidenced by contracts, client lists or other equivalent ties that they have with the energy community. This documentation will be used to determine the potential penetration that the Applicant will have in the energy community.

## ATTACHMENT Q

### **Loan / Grant Program Information (if applicable)**

Please enter as much information as possible in the tables. Any information that can not fit in the tables, can be included in attachments to this document. Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party. Loans and grants can be used for capital expenditures associated with implementing green community programs, research grants for promoting green technologies, demonstration projects and public education campaigns.

NOTE: Please note that federal tax law mandates that 100 percent or more of the available project proceeds be spent for one or more qualified purposes within the 3-year period beginning on such date of issuance. Hence, CDLAC will require Applicants to provide ongoing documentation evidencing their initial usage of bond proceeds. **Please also provide the following information in an attachment: description of what is being funded with loans and/or grants; capacity of the funding (the number and size of loans and/or grants); loan criteria and awarding process; compliance measures that will be imposed on recipients of loans and/or grants.**

The Committee will establish a process for evaluating requests for Allocation for technologies that are unfamiliar to the Committee and for industries that have not previously or recently requested an award of Allocation from the Committee. When such Applicants request Allocation, the Committee will conduct a review of the technology, the industry, and the state of environmental or other regulations. The Committee may request assistance of other federal, state, and local agencies when conducting this review. The Applicant and/or Project Sponsor may be asked to provide additional information relevant to the Committee's review. The review process shall result in a written policy concerning the new area of business.

LOAN AND GRANT INFORMATION <sup>18</sup>		
Table I		
Anticipated Grant and Loan Funding Date for first Grants and Loans	Anticipated Number of Loans to be Funded per \$10,000 of allocation used	Anticipated Number of Grants to be Funded per \$10,000 of allocation used

LOAN AND GRANT INFORMATION <sup>19</sup>		
Table II		
Total Dollar (\$) amount of Grants and Loans Funded	Anticipated Date of next cycle of Grant and Loan Funding	Anticipated Date of last cycle of Grant and Loan Funding

<sup>18</sup> Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

<sup>19</sup> Please cite name of qualified third party that verified estimates in box below and attach verification document from qualified third party.

**Attachment R**  
**LEGAL STATUS OF PROJECT SPONSOR**

(For private activity bonds only)

*If a separate sheet is used to respond to the following questions, the sheet shall be labeled **Attachment R**.*

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome. For a publicly-traded company, the relevant sections of the company's 10K, 8K, and 10Q most recently filed with the Securities and Exchange Commission may be attached in response to question #1. With respect to a response for question #2, previous 10K, 8K, and 10Q filings of the company may be attached if applicable.

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the project sponsor that is involved in the management, operation, or development of the project.

2. Disclose any civil, criminal, or regulatory action in which the project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

## EXHIBIT A

### Required information to be tracked for QECB Allocation

Issuers of Qualified Energy Conservation Bonds shall collect the following information for projects and programs financed with bond proceeds and report such data to the Committee on an ongoing basis as requested by the Committee's Executive Director. The Committee's staff will consider the information as part of its evaluation of Applications for Allocation of the State Ceiling.

- When were bonds issued?
- When did construction begin (if applicable)?
- When did the demonstration projects begin (if applicable)?
- When did the grants and loans start to be funded (if applicable)?
- When was site control established (if applicable)?

Please use the following spreadsheet to document your progress  
(just fill out boxes that are applicable)

CAPITAL EXPENDITURE PROJECTS				
Date of Issuance	Start of Construction Date	Progress Report Percentage: Every 6 months from Date of Issuance for 36 month period <sup>20</sup>	Construction Completion Date	Fully Operational Date

ENERGY PROGRAMS (including loan and grant programs)			
Date of Issuance	Operation Start Up Date	Progress Report Percentage: Every 6 months from Date of Issuance for 36 month period <sup>21</sup>	Funds Fully Distributed Date

<sup>20</sup> Please enter the percentage of the project that is completed at the end of every six month period.

<sup>21</sup> Please enter the percentage of the bond proceeds that have been expended for the program at the end of every six month period.



## CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

915 Capitol Mall, Room 311  
Sacramento, CA 95814  
p (916) 653-3255  
f (916) 653-6827  
cdlac@treasurer.ca.gov  
www.treasurer.ca.gov/cdlac

### MEMBERS

JOHN CHIANG-BILL LOCKYER,  
CHAIRMAN  
State Treasurer

EDMUND G. BROWN JR.  
Governor

BETTY T. YEE JOHN CHIANG  
State Controller

### EXECUTIVE DIRECTOR

Jeree Glasser-Hedrick Sean L. Spear

### FOR CDLAC USE ONLY

Application No. \_\_\_\_\_

Analyst: \_\_\_\_\_

## THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

### APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A BEGINNING FARMER BOND PROGRAM

ISSUER (Applicant): \_\_\_\_\_

The Applicant hereby makes Application to the California Debt Limit Allocation Committee ("CDLAC" or "Committee") for the purpose of providing a beginning farmer bond program as described herein.

The Applicant agrees it is our responsibility to provide the Committee with one original and one duplicate copy of the complete Application, accompanied by a check made payable to the Committee in the amount of ~~\$600~~1200 and a completed Performance Deposit Certification form. We understand that succinct answers providing the requested information are required and if additional space is required, each additional page will be clearly labeled. The Applicant agrees that it is also our responsibility to provide all other information that is deemed by the Committee to be necessary to evaluate the Application. The Applicant understands that the Committee may verify the information provided and analyze materials submitted as well as conduct its own investigation to evaluate the Application. The Applicant recognizes that it has a duty to inform the Committee when any information in the Application or supplemental materials is no longer true and to supply the Committee with accurate information.

The Applicant represents that it has read all applicable State and Federal Government Code sections relevant to Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds (including but not exclusively limited to CDLAC Regulations and the Internal Revenue Code and regulations). The Applicant acknowledges that the Committee recommends that the Applicant seek advice from tax counsel.

The Applicant acknowledges that all materials and requirements are subject to change by enactment of federal or state legislation.



In carrying out the development and operation of the proposed program, the Applicant agrees to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all Committee program requirements.

The Applicant acknowledges that the Application will be evaluated based on federal and state statutes and regulations pertaining to Qualified Private Activity Bonds for beginning farmer bond programs and the Regulations, which identify the minimum requirements, evaluation criteria, priorities and other standards which will be employed to evaluate Applications.

The Applicant acknowledges that the information submitted to the Committee in this Application or supplemental thereto may be subject to the Public Records Act or other disclosure. The Applicant understands that the Committee may make such information public. The Committee will maintain as confidential, certain financial information, but cannot guarantee confidentiality.

The Applicant declares under penalty of perjury that the information contained in the Application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of its knowledge and belief. The Applicant understands that misrepresentation may result in the cancellation of an Allocation, and any other actions which the Committee is authorized to take.

The Applicant agrees to hold harmless the Committee, its members, officers, agents, and employees from any matters arising out of or related to the awarded Allocation.

The Applicant certifies that it is in compliance with all applicable statutes, laws, rules, and regulations necessary for the transaction of its business.

The Applicant acknowledges that all Application materials are to be submitted ~~delivered to the address below~~, by **4:00 p.m.** on the appropriate date, ~~at the following address:~~

The California Debt Limit Allocation Committee  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

\_\_\_\_\_  
Signature of Applicant's Senior Official

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

Date \_\_\_\_\_

Additional information may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac> or by calling the Committee at (916) 653-3255.

The California Debt Limit Allocation Committee complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of the California Debt Limit Allocation Committee in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact the California Debt Limit Allocation Committee at (916) 653-3255 or TDD (916) 654-9922.

# THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

## APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A BEGINNING FARMER BOND PROGRAM

All references to federal statute are cited for informational purposes only. Bond Counsel must be consulted as the requirements are subject to change.

### PART I – FINANCING TEAM INFORMATION

1. Name of Applicant (Issuer):

Mailing Address:  
City, State, Zip Code:

Federal Identification No.:

*For mailing of official documents:*

Name of Senior Official:  
Title of Senior Official:

Telephone #: (     )

Fax #: (     )

E-mail:

*For questions concerning application:*

Name of Contact Person:  
Title of Contact Person:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (     )

Fax #: (     )

E-mail:

2. Name of Bond Counsel Firm:

Name of Attorney:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (     )

Fax #: (     )

E-mail:

3. Name of Bond Underwriter Firm:

Name of Agent:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (     )

Fax #: (     )

E-mail:

4. Name of Financial Advisor Firm:

Name of Agent:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (     )

Fax #: (     )

E-mail:

5. Name of Credit Enhancement Provider (if applicable):

Name of Agent:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (     )

Fax #: (     )

E-mail:

## PART II – ALLOCATION/BOND ISSUE INFORMATION

1. Amount of allocation requested: \$
2. Proposed date of bond issuance:
3. Indicate whether bonds will be sold in a public offering or in a private placement:

Indicate whether bonds will be variable or fixed rate:

If bonds carry a variable rate:

- A. Identify the index:
  - B. How frequently will be bonds be re-marketed and by whom?
  - C. Is there is a feature to allow a conversion to a fixed rate at some time in the future? If so, under what conditions and when?
4. Briefly describe the bond sale structure (Include, at a minimum, the amount, closing deadlines, security/collateral provided, guaranties, anticipated closing date, etc.)

Provide the credit enhancement commitment or commitment to purchase privately placed bonds. (See Article 6 of Chapter 1 of the CDLAC Regulations) (Attachment C, if more than one commitment, label Attachments in sequential order as C-1, C-2, etc.)

5. Anticipated bond rating (see Article 6 of Chapter 1 of the CDLAC Regulations):

	<u>Rating</u>	<u>Date Rating Anticipated</u>
Fitch		
Moody's		
Standard & Poor's		
Other		

6. Indicate the amount of taxable bonds and other taxable securities that will be issued in conjunction with the proposed tax-exempt bonds: \$

7. Indicate whether this is a single or a multiple jurisdiction Program:

If a multiple jurisdictional Program, provide a list of the participating jurisdictions in which bond proceeds will be used to finance loans (Submit list labeled as **Attachment A**).

8. List the types of loans expected to be financed and the average loan amount:

A. Purchase Land:

- i. average acreage per purchase
- ii. total acres purchased through program
- iii. average loan amount
- iv. percentage of total number of loans

B. Construction of Building(s) or Other Farm Improvements:

- i. average loan amount
- ii. percentage of total number of loans

C. Purchase Breeder Livestock

- i. type
  - a. average number of heads per purchase
  - b. total number of heads purchased through the program

D. Purchase Depreciable Equipment/Machinery

- i. average loan amount
- ii. percentage of total number of loans

Indicate if the numbers indicated above are estimates or program requirements imposed by the Issuer:

Estimates: \_\_\_\_\_

Program Requirements: \_\_\_\_\_

## PART III – PROGRAM INFORMATION

### 1. Proposed Program Description

Provide a narrative of the proposed Program that, at a minimum, includes a description of all of the following (Attachment B):

- A. The population to be served (e. g. income levels and experience of the expected Borrowers).
- B. The land, farm buildings/other farm improvements, depreciable equipment/machinery and/or breeder livestock expected to be acquired and per loan and aggregate cost.
- C. Any reservation(s) of bond proceeds for specific purposes that target lower income individuals, specific loan types (i.e.: land, equipment, breeder livestock, construction/renovation), certain census tracts or areas, or specific agricultural purposes (e.g.: dairy farming, specific crops, etc.).
- D. Anticipated number and type of the following items expected to be financed with bond proceeds:
  - 1. commercial loans,
  - 2. contract sales,
  - 3. direct investment (down-payment assistance, or subordinate investor equity)
- E. The length of time that the proposed bond proceeds are expected to be available to fund eligible loans and the anticipated monthly issuance rate of loan originations over the expected term. Include an explanation of the basis for the anticipated origination rate and a description of the factors that could positively or negatively influence this rate.
- F. The Program's loan interest rates (annual percentage rate) and fees charged to borrowers. If at a variable rate, describe how the rate will be calculated.
- G. Other rebate and incentive programs offered to program participants directly in conjunction with the proposed Program.
- H. Any program requirements (lender requirements, cost-effectiveness metrics, maximum income levels, farming experience/education requirements, financial courses/training, etc.)
- I. The Program's marketing plan.
- J. The Program's loan qualification plan specifying how appropriate program uses, eligibility and loan limits will be confirmed.
- K. The Program's plan for verification of beginning farmer's access to sufficient operating capital and source; access to equipment & breeder livestock (loans for land purchase) and access to land (loan for equipment or breeder livestock purchase).
- L. The Program's post-issuance compliance monitoring plan.
- M. If applicable, the program's history (the loan types offered, category usage, etc.)
- N. Any special features unique to the proposed Program.

## 2. Program Pipeline and Historical Loan Information

Provide the following demand/supply information:

A. Total number of loan requests currently in the Applicant's pipeline for: 1. Land 2. Construction/renovations 3. Breeder Livestock 4. Equipment/Machinery	
B. Average estimated loan request amounts loans currently in the pipeline for: 1. Land 2. Construction/renovations 3. Breeder Livestock 4. Equipment/Machinery	
C. Number of loans provided by Applicant in program jurisdiction within the past 12 months for: 1. Land 2. Construction/renovations 3. Breeder Livestock 4. Equipment/Machinery	
D. Average loan amount for loans provided by Applicant in program jurisdiction within the past 12 months for: 1. Land 2. Construction/renovations 3. Breeder Livestock 4. Equipment/Machinery	

Additional information may be provided to explain the number of loans anticipated to be originated and the types of qualified loans expected to be available for use with the bond proceeds. (**Attachment C**)

## 3. Qualifying Loan Programs and Lenders

Provide name and contact information for participating lenders and term sheets for qualifying loans. (**Attachment D**)

## 4. Maximum Loan Amounts

The purpose of this section is to establish maximum loan amounts per the United States Internal Revenue Code (IRC). Issuers may institute lower program limits as desired but must adhere to the loan limits outlined in the applicable sections of the IRC. Refer to statute for more information. Input the maximum loan amounts for individual projects below:

<u>Type</u>	<u>Program Maximum</u>
A. Land	<input type="text"/>
B. Construction/Renovations	<input type="text"/>
C. Breeder Livestock	<input type="text"/>
D. Equipment/Machinery	<input type="text"/>

## PART IV – MINIMUM REQUIREMENTS

Applicants are advised to read IRC Sections 144 and 147 and the Committee's Regulations regarding the Beginning Farmer Program when answering the following questions.

All Applicants must certify that its program will meet the following minimum requirements: **(Attachment E)**

A. The beginning farmer must:

1. Be a California resident;
2. Be at least 18 years of age;
3. Be a "First Time Farmer" as defined by the IRC;
4. Be the principal operator of the farm;
5. Use loan proceeds to purchase land within California or eligible breeder livestock, equipment/machinery and/or new construction or renovations for use in farming operations solely within California;
6. Only use the agricultural land, agricultural improvements and depreciable agricultural property for farming by the beginning farmer, his/her spouse, his/her minor children, or any combination thereof;
7. Not use loan proceeds to procure seed, feed, feeder livestock, fertilizer, personal residence (in excess of the IRC exceptions) or as otherwise prohibited and/or limited by the IRC; and
8. Not exceed the lifetime aggregate amount of all loans for any borrower permitted by the IRC.

B. The Issuer must certify that each participating lender will:

1. Ensure that all of the proceeds of the Bond be used for the acquisition of farmland, construction or reconstruction of improvements or equipping of farmland, or the purchase of property of a character subject to the allowance for depreciation under IRC § 167 or other authorized costs.
2. Verify the accuracy of all certifications of each Beginning Farmer and all other information with respect to the Project or Beginning Farmer set forth in an Application.
3. Ensure that none of the proceeds of the Bond will be used to provide working capital or the financing of inventory, supplies or other ineligible operating expenses.
4. Prior to the approval of the issuance of the bond, not finance or otherwise advance moneys to the Beginning Farmer or any Related Person in connection with the Project which the Beginning Farmer expects to finance with proceeds of the Bond in any manner inconsistent with applicable prohibitions and/or limitations set forth in the IRC.

## PART V – EVALUATION CRITERIA

### 1. Past Program Performance

For each allocation round, programs will be evaluated based on the percentage of the previous year's allocation used by each applicant in comparison to the percentage of the previous year's allocation used by the other applicants in the allocation round. Provide the information requested below **and** provide evidence documenting the Program's performance over the past three years. Applicants must demonstrate that First Time Farmer Program Allocation from the past year has been used to issue First Time Farmer bonds. (**Attachment F**)

Input the total allocation awarded in the previous calendar year and the total allocation used in the previous calendar year in the chart below.

a. Total allocation awarded in the previous calendar year:	
b. Total allocation used in the previous calendar year:	
c. Percentage of previous year's allocation used (a/b):	0%

### 2. Proposed interest rate vs. actual interest rate

For each allocation round, programs will be evaluated and ranked based on each applicant's deviation between the currently proposed and previous year's actual average interest rates in comparison to the allocation round's other applicants' proposed and previous year's actual average interest rates.

a. Proposed interest rate:

b. Previous actual average interest rate:

### 3. Potential Public Benefit Calculations

Programs will be further evaluated and ranked on how effectively they will achieve the following program goals relative to their competitor's performance: (1) Ensuring the lowest interest rates to borrowers; and (2) Serving the maximum number of eligible farmers with the allocation. In the event of a tie, applications demonstrating the greatest public benefit will receive the allocation.

**Attachment H** must support the information provided below.

A. Average Loan Interest Rate:	
B. Average Loan Amount:	
<b>Public Benefit Score:</b>	0

### 4. Additional points (if applying in a competitive round):

Issuers will be awarded points for specialized programs/sub-programs as set forth below:



- A. Job Creation (20 points maximum). Use of a substantial portion of the allocation awarded for programs that will add jobs to local economy (one point per job with a maximum of 20 points). Points will be awarded in the following manner:
- a. one point for each full time job created;
  - b. part time jobs will receive a tenth of a point, rounded to the nearest tenth of a point, based on the job's full time equivalency (e.g.: 50% FTE would receive 0.5 points, etc.).
- B. Borrower Preparation (15 points maximum). A maximum of 15 points will be awarded to programs that provide a technical assistance component for the following areas:
- a. five (5) points will be awarded to Applicants that make available financial management education and/or training;
  - b. five (5) points will be awarded to Applicants that make available land management education and/or training; and/or
  - c. five (5) points will be awarded to Applicants that make available resource conservation education and/or training.
- Evidence of the aforementioned technical assistance program(s) shall be submitted with the application and shall include, but is not limited to, third-party contracts or agreements for the provision of training, training schedules, program curricula and narratives describing the training programs and written assurance of the education/training provider that beginning farmers will be eligible for the education/training for a minimum period of twenty-four (24) months after the beginning farmer's financing is approved by the Applicant.
- C. Farm to Fork (9 points). Use of substantial portion of allocation for programs to establish or enhance farming operations producing edible agricultural commodities sold in and consumed by the local community. Evidence of the program shall be submitted with the application and shall include, but is not limited to, a description of the program identifying how the program will operate, proposed buyers and sales contracts.
- D. Family Farms (3 points). Use of a substantial portion of the allocation awarded for programs to acquire family farms by beginning farmers (land, breeder livestock, and/or equipment/machinery).
- E. Under-Represented Borrowers (3 points). Use of substantial portion of allocation for programs designed to facilitate acquisition of farmland, breeder livestock equipment and/or equipment/machinery by veterans, women and/or under-represented populations.

**PERFORMANCE DEPOSIT CERTIFICATION FORM**  
**FOR AN APPLICATION FOR AN ALLOCATION OF QUALIFIED PRIVATE ACTIVITY**  
**BONDS**

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)**

**CERTIFICATION OF THE \_\_\_\_\_ (Applicant)**  
**REGARDING AN APPLICATION FOR QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION**

In connection with the following Qualified Private Activity Bond Application:

**APPLICANT:** \_\_\_\_\_

**AMOUNT OF ALLOCATION REQUESTED: \$** \_\_\_\_\_

**PROJECT NAME/PROJECT TYPE:** \_\_\_\_\_

the undersigned officer of the \_\_\_\_\_ **(Applicant)** hereby certifies as follows:

1. I, \_\_\_\_\_ (Name), am the \_\_\_\_\_ (Title) of the \_\_\_\_\_ **(Applicant)**, and am duly authorized to make the deposit required below.
2. The \_\_\_\_\_ **(Applicant)** has collected and has placed on deposit in an account in a financial institution \$ \_\_\_\_\_, \_\_\_\_\_ dollars (write out dollar amount in words), which **equals one half of one percent** of the amount of the Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000.**
3. The deposit will be held until receipt of a written notification from the California Debt Limit Allocation Committee that the deposit is authorized to be released or forfeited, in whole or in part, pursuant to Article 5 of Chapter 1 of the Committee's Regulations.
4. To the extent that any portion of the deposit is forfeited, the Applicant agrees to send the required amount in a check made payable to "The California Debt Limit Allocation Committee." Such check shall be mailed to the Committee at the address noted above immediately upon receipt of the written notification from the Committee.
5. The undersigned has read the Regulations of the California Debt Limit Allocation Committee and understands that if a Qualified Private Activity Bond Allocation is not used for the purpose for which it was granted, the performance deposit must be forfeited to the Committee.

\_\_\_\_\_  
Signature of Senior Official

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

1. Each Applicant for a Qualified Private Activity Bond Allocation must submit evidence to the Committee that it has on deposit in an account in a financial institution an amount **equal to one half of one percent** of the amount of Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000**. Applicants are advised to read Article 5 of Chapter 1 of the Committee's Regulations.
2. The Performance Deposit Certification Form (see other side) must be filed with the Committee in conjunction with the filing of an Application and by the Application Deadline.
3. The Committee will authorize release or require forfeiture of the deposit as follows:
  - a. If the Committee provides no Allocation, or grants an amount lower than requested by the Applicant, the Committee will authorize release of the deposit or release of a pro rata amount of the deposit so that only one-half of one percent (0.5%) of the Allocation granted is on deposit;
  - b. If the Applicant uses only a portion of the Allocation granted to issue bonds (or convert the Allocation to mortgage credit certificate authority), the Committee will authorize the release of the deposit in accordance with the conditions imposed at the time of Allocation. The Committee will approve the Allocation with the deposit fully refundable if 80% or more of the Allocation is used to issue bonds prior to the expiration date. If less than 80% of the Allocation is used to issue bonds prior to the expiration date, the refundable performance deposit will be pro-rated. For Mortgage Credit Certificate Programs, if 80% or more of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the performance deposit will be refunded in full. If less than 80% of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the refundable performance deposit will be pro-rated.
  - c. If the Applicant does not use any of the Allocation to issue bonds prior to the expiration date (or convert the Allocation to mortgage credit certificate authority and issue at least one mortgage credit certificate prior to the expiration date), the entire deposit will be forfeited; and
  - d. If the Applicant or the Project Sponsor withdraws the Application in writing prior to the Committee's consideration of the Application, the performance deposit shall be automatically released and no written authorization from the Committee shall be necessary.
4. If the Applicant forfeits all or a part of a deposit pursuant to Article 5 of Chapter 1 of the Committee's Regulations, the Applicant shall send the required amount to the Committee in a check made payable to "The California Debt Limit Allocation Committee". Amounts received will be deposited in the Committee's Fund.
5. Project Sponsors bear the risk of forfeiting all or part of their performance deposit if the Allocation is not used in accordance with the conditions and timeframes set forth in the Committee Resolution.